STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1985 AND 1984

	1985	1984	INCREASE OR (DECREASE)
NET SALES	$1,411,429	$1,513,666	$ (102,237)
COST OF GOODS SOLD	966,305	1,127,047	(160,742)
Gross profit	445,124	386,619	58,505
OPERATING EXPENSES	433,548	382,885	50,663
Operating income	11,576	3,734	7,842
OTHER INCOME (EXPENSE):			
Finance income on rebates	41,502	30,226	11,276
Interest expense	(17,098)	(15,004)	(2,094)
Gain on sale of property and equipment	5,082	-0-	5,082
Other income	544	1,010	(366)
Rent	5,443	7,727	(2,284)
Bad debts recovered	19,157	12,573	6,584
Total other income	54,730	36,532	18,198
Income before provision for income taxes	66,306	40,266	26,040
PROVISION FOR INCOME TAXES	13,804	5,528	8,276
Net income	52,502	34,738	$ 17,764
Retained earnings, beginning of year	265,966	231,728	
	318,468	266,466	
Dividends paid	-0-	500	
Retained earnings, end of year	$ 318,468	$ 265,966	

NARDA/NASD

costs of doing business survey

COVERING THE YEAR

1985

NARDA/NASD Annual Costs-of-doing-business Survey

(Covering 1985 or fiscal year closest to that date)

NOTE: Your cooperation, as a NARDA/NASD member, in completing and returning this form is ESSENTIAL if your association is to produce meaningful national statistics against which you can measure the performance of your business.

1. Our business can best be described as (Check ONE only):
   - X Products Sales Only
   - ___ Product Service Only
   - ___ Product Sales & Service
   - ___ Rental Only
   - ___ Product Sales, Service & Rental
2. The principal products sold or serviced (if SERVICE ONLY) include: (If more than one category, give percent of volume for each category.)
   - ___ Appliances
   - X Video Hardware
   - X Audio
   - ___ Video Software
   - X Television
   - X Furniture
   - ___ Telephones
   - ___ Computers (Hardware & Software)
   - ___ Other (Please specify) ___
3. We employ a total of 6 employees, of these 4 are Salespeople, 2 Delivery People and ___ Service Technicians
   - 4 Office Workers
   - 2 Owners & Managers
   - ___ Others
4. The State we are located in is Mississippi
5. We have been in business for 60 years
6. We have 2 Outlets
7. Total number of square feet (all outlets): 12500 sq. ft.
   - Sales display area 10500 sq. ft.
   - Service area ___ sq. ft.
   - Warehouse area 2000 sq. ft. store
   - Office area ___ sq. ft.
8. We have 2 vehicles
   - Delivery trucks 3
   - Service trucks ___
   - Can (In business name) ___
9. We pay our salespeople
   - ___ Salary Only
   - X Salary plus Commission
   - ___ Commission Only
   - ___ Other (Please specify) ___
10. We pay our service technicians:
    - ___ Salary only
    - ___ Salary plus commission
    - ___ Commission only
    - ___ Other (Please specify) ___
11. Please provide the percent of total volume that you do in the following transactions:
    - Cash 25 %
    - Credit and charges 42 %
    - Outside financing 70 %
    - In house financing 26.5 %
12. My discount rate for credit card sales is 2.7 %
13. Please provide the percentage of your total advertising money spent in each category:
    - Newspaper 20 %
    - Television 15 %
    - Radio 40 %
    - Yellow Pages 15 %
    - Direct Mail ___ %
    - Other ___ % Please specify ___
14. Do you sell any kind of extended Service Agreements? X Yes ___ No
15. Do you have an in-store computer? ___ Yes X No
16. Are you a member of a buying group? ___ Yes X No

Please fill out this questionnaire as completely as possible. Use figures for year ended December 31, 1985 or most recent fiscal year. Your Operating Statement may not be exactly the same as the one below, so please pay careful attention to the categories. If you have more than one outlet, please combine all amounts.

IF YOU DO NOT WISH TO READ FURTHER, YOU CAN ATTACH YOUR OPERATING STATEMENT AND BALANCE SHEET TO THE SURVEY FORM IN EITHER CASE. PLEASE ANSWER QUESTIONS ON PAGES 1 AND 4

Line 1 - NET SALES: 1984 $ ___ 1985

Include: Income from product sales $ 429,078.32
Income from service labor $ 45,736.00
Income from service parts $ 5,293.92
Income from rental $ 12,414.36
(400) $ 558,747.23

Note: Use Net Sales figure after adjustment for customer returns or allowances. Lease income lines (blank if they do not apply). DO NOT include income from service contracts.

Line 2 - COST OF ALL GOODS SOLD & TECHNICIAN WAGES

Include: Beginning Merchandise Inventory $ 65,082.65
Add: Beginning Parts Inventory $ 22,639.49
Add: Merchandise Purchases (Include Freight) $307,156.52
Add: Parts Purchases (Include Freight) $ 38,775.31
Add: Cost of Rental Sales $ 4,859.50
Add: Technician Wages $ 38,832.52
Subtract: Ending Merchandise Inventory $ 55,737.37
Subtract: Ending Parts Inventory $ 22,639.49
(300) $ 398,968.69

3. GROSS PROFIT (line 1 minus line 2) $ 159,778.54

4. TOTAL OPERATING COSTS (add lines 1 to 33)

(1) Proprietor's/Partners' Executive Salaries (500) $ 139,935.09
(2) Office Salaries (503) $ 40,081.96
(3) Sales Salaries (602) $ 8,833.64
Include salary, commission, bonuses, spiffs, etc.
(4) Delivery Wages (601) $ 2,400.00
(5) Other Payroll
(6) Employee Benefits (658) $ 10,273.31
Include Pension Plans, Profit Sharing, Xmas Party, etc. (608) $
(7) Payroll Taxes (Employer's Share) (609) $
(8) Other Taxes & Licenses (Omit Income Tax) (611) $ 10,649.76
(9) Occupancy - Rent or Building depreciation (620) $ 21,680.32
If rent includes utilities, leave line 11 blank. (625) $ 4,200.00
(10) Occupancy - Building Maintenance
(11) Utilities (626) $ 2,750.52
Do not include telephone. Use line 20. (627) $ 2,331.77
(12) Advertising, Promotion (net after deducting co-op)
Do not include yellow pages. Use line 21. (650) $ 3,419.81
(13) Delivery Truck Expense (gas, oil, maintenance) (655) $ 3,626.06
(14) Service Truck Expense (gas, oil, maintenance) (656) $

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Lombard, IL 60148

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BALANCE SHEET
December 31, 1985 and 1984
(SEE ACCOUNTANTS COMPILATION REPORT)

	1985	1984
ASSETS		
CURRENT ASSETS		
Cash	$ 108 240	$ 74 369
Accounts receivable	529 112	540 973
Note receivable	45 000	45 000
Inventory	125 694	135 935
Prepaid expenses and deposits	1 389	358
Prepaid income taxes	756	-
Total current assets	810 191	796 635
PROPERTY AND EQUIPMENT (at cost)		
Leasehold improvements	18 030	18 030
Autos and trucks	27 364	27 364
Office equipment	4 565	4 565
	49 959	49 959
Less accumulated depreciation	46 602	45 939
Total property and equipment	3 357	4 020
	15 390	13 595
OTHER		
Cash surrender value - officers' life insurance	$ 828 938	$ 814 250
Total		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 88 303	$ 101 482
Payroll and business taxes payable	13 048	14 644
Income taxes payable	-	2 706
Total current liabilities	101 351	118 832
SHAREHOLDERS EQUITY		
6% PREFERRED STOCK, $100 par value; 500 shares authorized and outstanding	50 000	50 000
COMMON STOCK, $100 par value; 500 shares authorized and outstanding	50 000	50 000
RETAINED EARNINGS	595 418	560 934
Amount at beginning of year	32 169	34 484
Add net income	627 587	595 418
Amount at end of year	727 587	695 418
Total shareholders equity	$ 828 938	$ 814 250
Total		

The accompanying notes are an integral part of this statement.

NARDA/NASD Annual
Costs-of-doing-business Survey

(Covering 1985, or fiscal year closest to that date)

NOTE: Your cooperation, as a NARDA/NASD member, in completing and returning this form is ESSENTIAL if your association is to produce meaningful national statistics against which you can measure the performance of your business.

1. Our business can best be described as: (check ONE only)
   ___ Products Sales Only ___ Product Service Only
   ___ Rental Only ___ Product Sales, Service & Rental ___X___ Product Sales & Service
2. Our principal products sold or serviced (if SERVICE ONLY) include: (IF more than one category, give percent of volume for each category.)
   ___ Appliances 50% Video Hardware 30% Audio 3% Video Software 12% Television ___ Furniture
   ___ Telephones ___ Computers (Hardware & Software) ___ Other (Please Specify) ___
3. We employ a total of 20 employees. Of these 4 are Salespeople, 1 Service Technicians, 5 Office Workers, 3 Owners & Managers, 1 Delivery People and 4 Others
4. The State we are located in is North Carolina
5. We have been in business for 20 years
6. We have 1 Outlets
7. Total number of square feet (all outlets) 11,500
   Sales/display area 6,750 sq. ft. Service area 1750 sq. ft.
   Office area 1000 sq. ft. Warehouse area 2000 sq. ft.
8. We have 3 vehicles. Cars (in business name) 1
   Delivery trucks 1 Service trucks 1
9. We pay our salespeople
   ___ Salary Only ___ Commission Only
   X Salary plus commission ___ Other (Please specify) ___
10. We pay our service technicians
    ___ Salary only ___ Commission only
    X Salary plus commission ___ Other (Please specify) ___
11. Please provide the percent of total volume that you do in the following transactions:
    Cash 86 %
    Credit card charges 6 %
    Discount rate for credit card sales is 1.6 %
    Office financing 0 %
    In-house financing ___ %
12. Also provide the percentage of your total advertising money spent in each category:
    Newspaper 52.7 %
    Television ___ %
    Radio 40.8 %
    "Yellow Pages" 2.6 %
    Direct Mail 3.9 %
    Other ___ % Please specify ___
13. Sell any kind of extended Service Agreements? X Yes ___ No
    Have an in-store computer? ___ Yes X No We have two computers but not an integrated system
    Member of a buying group? X Yes ___ No

BALANCE SHEET INFORMATION
Covering the year 1985

Current Assets		**Current Liabilities**	
Cash (on hand and in bank)	$ 80,762	Accounts Payable	$ 100,783
Accounts Receivable	$ 3,949	Floor Plan Owed	$ 295,177
Inventory - Total	$ 475,568	Short Term Notes Payable	$
Parts $ 45,694		Other	$ 1704
Product $ 23,874		Total Current Liabilities	$ 397,664
Other (Notes, etc.)	$ 109,342		
Total Current Assets	$ 890,121	**Long Term Liabilities**	
Fixed Assets		Mortgages, Etc.	$
Real Estate (Building, etc.)	$	Loans	$
Trucks & cars	$ 90,798	Other	$ 138,675
Furniture & fixtures	$ 144,014	Total Long Term Liabilities	$ 138,675
Depreciation (Accumulated)	($ 59,946)		
Other	$	Total All Liabilities	$ 536,289
Total Fixed Assets	$ 74,866	**Capital**	
Other Assets	$	Capital (Start of Period)	$ 89,507
		Retained Earnings for Period	$ 34,691
Total All Assets	$ 964,487	(Note: This should equal after-tax income for period)	
		Total Capital	$ 428,198
		Total Liabilities & Capital	$ 964,487

The biggest business problem we face in 1986 is Surviving the increasing competition from the larger "Super Store" chains and ever increasing business costs with declining profit margins.

NARDA/NASD can be more helpful to our business, if it would Continue to emphasize the importance of the independent dealer to all manufacturers including the harder to deal with offshore companies.

BALANCE SHEET

LIABILITIES & EQUITY

ENT LIABILITIES	4,253.59		
GE PAYABLE - JC BANK	15,000.00		
PAYABLE - F&M BANK-A	13,661.61		
PAYABLE - F&M BANK-B	12,907.39		
PAYABLE - F&M BANK-C	5,000.00		
PAYABLE - F&M BANK-D	9,822.83		
PAYABLE - F&M BANK-E	10,000.00		
PAYABLE - F&M BANK-F	14,353.09		
PAYABLE	10,170.00		
R PLAN - BORG WARNER	133,012.34		
R PLAN - G E C C	54,224.33		
R PLAN - WHIRLPOOL	12,365.12		
OUNTS PAYABLE	305.05		
D FEDERAL TAXES	289.81		
D FICA	289.82		
D SOCIAL SECURITY EXPENSE	785.88		
D STATE TAXES	1,402.09		
D UNEMPLOYMENT	5,425.63		
D SALES TAX	6,572.18		
D TAXES PAYABLE	6,837.47		
D WAGES			
TOTAL CURRENT LIABILITIES	316,878.23		
LONG TERM LIABILITIES			
NOTE PAYABLE	126,094.26		
TOTAL LONG TERM LIABILITIES	126,094.26		
TOTAL LIABILITIES		442,972.49	
STOCKHOLDERS' EQUITY	73,000.00		
CAPITAL STOCK	(225,000.00)		
TREASURY STOCK	290,457.19		
RETAINED EARNINGS	18,317.39		
NET INCOME TO DATE		156,774.58	
TOTAL STOCKHOLDERS' EQUITY			399,747.07
TOTAL LIABILITIES & EQUITY			

SEE ATTACHED COMPILATION REPORT

NARDA/NASD

NATIONAL ASSOCIATION OF RETAIL DEALERS OF AMERICA
&
NATIONAL ASSOCIATION OF SERVICE DEALERS
40TH ANNUAL
COST-OF-DOING-BUSINESS SURVEY
(Covering the Year 1985)

Contents

1985 In Review — 4

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- Volume less than one-million dollars — 6
- Volume between one-and five-million dollars — 8
- Volme greater than five-million dollars — 10
- Average all volumes — 12

Electronics Sales & Service
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- Volume less than one-million dollars — 20
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Appliances - Electronics Sales Only
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Appliances - Furniture - Electronics Sales Only
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Appliances - Electronics Sales - Service & Rental
- Volume less than one-million dollars — 36
- Volume greater than one-million dollars — 38
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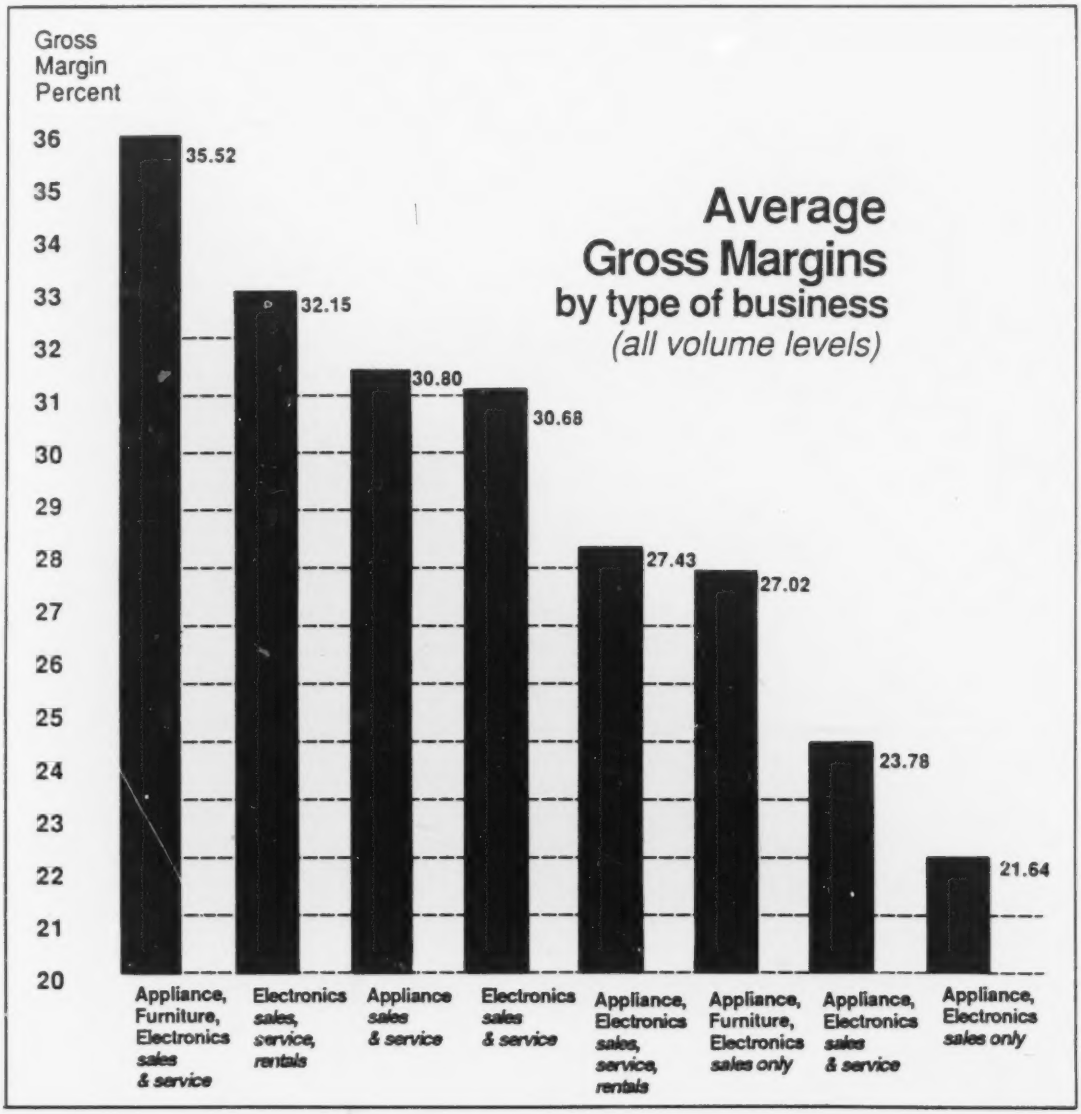
- Volume less than one-million dollars — 42
- Volume greater than one-million dollars — 44
- Average all volumes — 46

Service Only
- Average all volumes — 48

NARDA/NASD
Costs of Doing Business Survey
covering the year 1985

NARDA/NASD members can generally look back at last year as an intensively competitive year with minimal profits in view of the amount of merchandise moved.

Pressure to keep expenses down, growing competition (primarily in the form of "super stores", direct mail merchandisers, and "warehouse clubs"), and a depressed economy in several areas of the country all contributed to what could be best described as a *flat* year. Many types of dealers reported increased dollar volume, compared to 1984, but the bottom-line profits frequently failed to measure up.

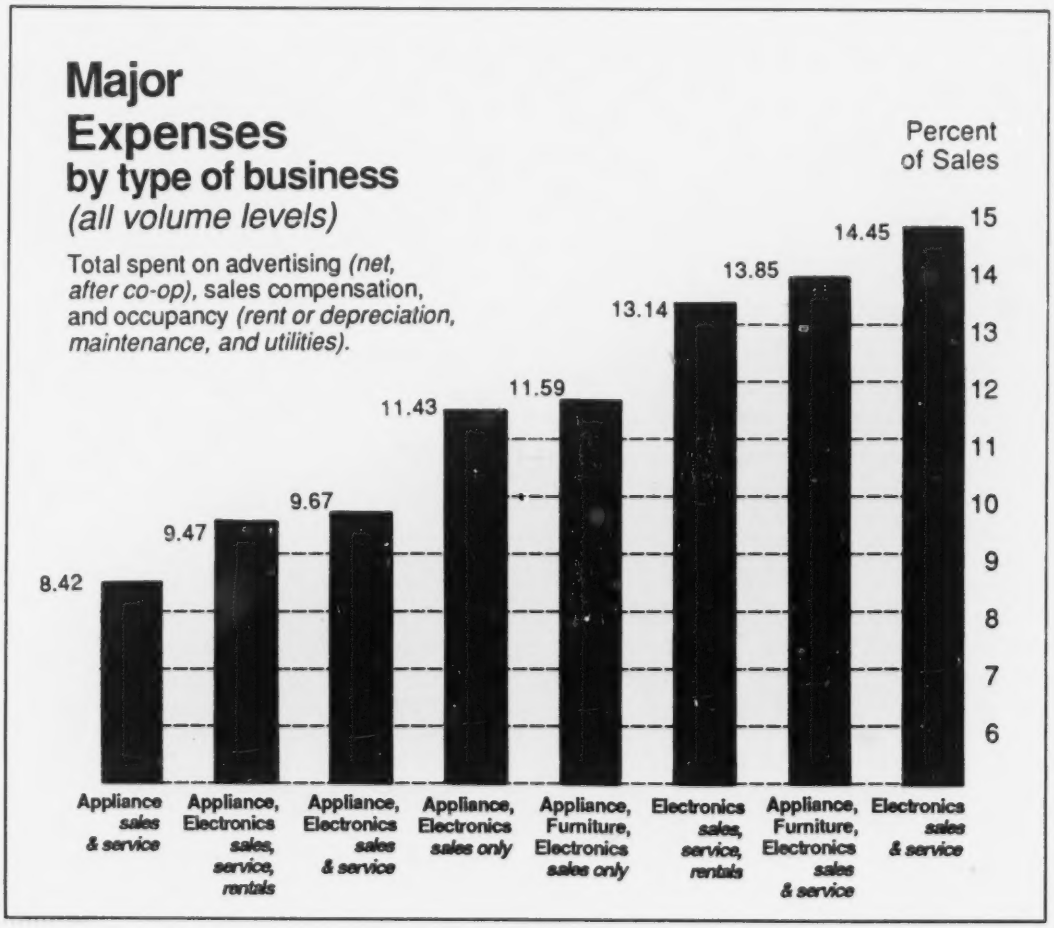


Many dealers apparently responded to the pressure by joining buying groups or cooperatives. In some of the categories covered in this survey, 70, 80 or 90 percent of the dealers report that they are now affiliated with such a group- a far higher percentage than just a year ago.

Gross profit margins ranged from a high of over 35 percent to a low of less than 22 percent. Net operating profits reflected a similar wide range, from a low of .66 percent to a high over 5 percent. And the all-important after tax profit (net income) for participating members varied widely.

This year's survey includes, in addition to a more comprehensive breakdown of expenses, data describing many aspects of the average participant's business operation.Average dollar volume per salesperson, and per square foot, are provided as well as information on compensation plans, advertising expenditures, inventory turns, and several other areas that help accurately "profile" an average operation in each of the covered categories.

When comparing your results with the averages for dealers with a similar volume level and product mix, keep in mind that the averages are based on a range of reports from the most profitable dealerships to the least profitable, and all those in between. The averages are not *goals.* They should be used only as indicators to help you find areas where your own business may be far from "average" and require more management attention.



APPLIANCE/ELECTRONICS – SALES & SERVICE
Volume under $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	66.5
Bank Credit Cards	8.3
Outside Financing	17.5
In-house Financing	7.6

Average discount rate for bank credit card transactions was 2.02%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	64.1
Television	1.8
Radio	13.0
Yellow Pages	13.6
Direct Mail	6.3
Other	1.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2862
Office	296
Service	770
Warehouse	2173
Total	6115

The average annual sales per square foot of selling space was $183
The average annual sales per square foot of total space was $85

INVENTORY TURNS *for*

Product	3.4
Parts	1.2

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	37.1
Commission only	5.7
Salary & Commission	54.2
Other	2.8

The average annual sales per salesperson was $384,007

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	58.8
Commission only	11.7
Salary & commission	20.5
Other	8.8

MISCELLANEOUS

The average dealer has been in business for 26.2 years.

The average percent of total employees in each category was

Sales personnel	21.7
Service personnel	30.4
Office personnel	14.9
Owners/managers	15.5
Delivery Personnel	14.9
Other	2.1

Total annual sales per employee averaged $83,479.

Percentage of dealers in this category selling service contracts -- 70.5%
with an in-store computer -- 23.5%
belonging to a buying group -- 41.1%

Total average sales, compared to 1984, were up 12.9%

APPLIANCE/ELECTRONICS SALES & SERVICE FIRMS

Volume Under $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		74.55	
Product (% of sales)	76.9		
Parts (% of sales)	64.8		
Technician Wages (% of sales)	75.8		
GROSS MARGIN		25.45	
TOTAL OPERATING COSTS		24.79	
Proprietors/Partners/Executive Salaries	3.65		
Office Salaries	1.93		
Sales Salaries	3.04		
Delivery Wages	1.05		
Other Payroll	.54		
Employee Benefits	.23		
Payroll Taxes (Employer's Share)	1.17		
Other Taxes & Licenses (Omit Income Tax)	.84		
Occupancy - Rent or Building Depreciation	1.73		
Occupancy - Building Maintenance	.37		
Utilities	.91		
Advertising, Promotion (net after deducting co-op)	2.22		
Delivery Truck Expense (gas, oil, maintenance)	.44		
Service Truck Expense (gas, oil, maintenance)	.36		
Other Vehicle Expense (gas, oil, maintenance)	.37		
Truck Depreciation or Lease Cost	.13		
Auto Depreciation or Lease Cost	.01		
Office Supplies	.44		
Postage, UPS, etc. Expense	.10		
Telephone	.47		
Yellow Page Advertising	.19		
Accounting & Legal	.37		
Travel	.23		
Dues, Subscriptions, Periodicals	.24		
Credit Card Processing Fees	.12		
Insurance - All Categories	1.86		
Shop Supplies	.22		
Business & Technical Training Expense	.07		
Depreciation - Other	.05		
Depreciation (Total, if not categorized)	.96		
Miscellaneous Expense	.48		
NET OPERATING PROFIT		.66	
OTHER INCOME		2.95	
Interest Income	1.16		
Service Contract Income	.13		
Suppliers' Rebates	.59		
Other	1.07		
TOTAL INCOME		3.61	
OTHER EXPENSE		1.85	
Bad Debt Loss Less Recoveries	.10		
Interest Paid	1.40		
Service Contract Expense	.06		
Other	.29		
BEFORE TAX PROFIT		1.76	
FEDERAL & STATE INCOME TAX	.39		
NET INCOME		1.37	

APPLIANCE/ELECTRONICS – SALES & SERVICE

Volume $1 - $5 Million

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	60.2
Bank Credit Cards	12.0
Outside Financing	20.8
In-house Financing	6.9

Average discount rate for bank credit card transactions was 1.88%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	59.6
Television	7.8
Radio	13.3
Yellow Pages	12.2
Direct Mail	3.7
Other	3.2

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	5784
Office	838
Service	1744
Warehouse	6132
Total	14490

The average annual sales per square foot of selling space was $393
The average annual sales per square foot of total space was $156

INVENTORY TURNS *for*

Product	2.4
Parts	1.8

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	16.6
Commission only	30.5
Salary & Commission	50.0
Other	2.7

The average annual sales per salesperson was $514,290

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	50.0
Commission only	28.1
Salary & commission	21.8
Other	0.0

MISCELLANEOUS

The average dealer has been in business for 31.5 years.

The average percent of total employees in each category was

Sales personnel	24.0
Service personnel	26.4
Office personnel	15.7
Owners/managers	10.1
Delivery Personnel	16.5
Other	6.9

Total annual sales per employee averaged $123,627.

Percentage of dealers in this category selling service contracts -- 77.4%
with an in-store computer -- 51.6%
belonging to a buying group -- 80.6%

Total average sales, compared to 1984, were up 11.3%

APPLIANCE/ELECTRONICS SALES & SERVICE FIRMS

Volume $1 - $5 Million

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		76.52	
Product (% of sales)	78.3		
Parts (% of sales)	78.2		
Technician Wages (% of sales)	68.2		
GROSS MARGIN		23.48	
TOTAL OPERATING COSTS		22.06	
Proprietors/Partners/Executive Salaries	2.77		
Office Salaries	1.86		
Sales Salaries	3.45		
Delivery Wages	1.33		
Other Payroll	.43		
Employee Benefits	.36		
Payroll Taxes (Employer's Share)	1.22		
Other Taxes & Licenses (Omit Income Tax)	.26		
Occupancy - Rent or Building Depreciation	1.75		
Occupancy - Building Maintenance	.21		
Utilities	.48		
Advertising, Promotion (net after deducting co-op)	2.84		
Delivery Truck Expense (gas, oil, maintenance)	.38		
Service Truck Expense (gas, oil, maintenance)	.29		
Other Vehicle Expense (gas, oil, maintenance)	.21		
Truck Depreciation or Lease Cost	.05		
Auto Depreciation or Lease Cost	.04		
Office Supplies	.34		
Postage, UPS, etc. Expense	.02		
Telephone	.39		
Yellow Page Advertising	.12		
Accounting & Legal	.21		
Travel	.16		
Dues, Subscriptions, Periodicals	.13		
Credit Card Processing Fees	.18		
Insurance - All Categories	1.13		
Shop Supplies	.31		
Business & Technical Training Expense	.03		
Depreciation - Other	.03		
Depreciation (Total, if not categorized)	.69		
Miscellaneous Expense	.39		
NET OPERATING PROFIT		1.42	
OTHER INCOME		1.82	
Interest Income	.26		
Service Contract Income	.34		
Suppliers' Rebates	.70		
Other	.52		
TOTAL INCOME		3.24	
OTHER EXPENSE		.91	
Bad Debt Loss Less Recoveries	.10		
Interest Paid	.70		
Service Contract Expense	.01		
Other	.10		
BEFORE TAX PROFIT		2.33	
FEDERAL & STATE INCOME TAX	.59		
NET INCOME		1.74	

APPLIANCE/ELECTRONICS – SALES & SERVICE

Volume over $5,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	51.8
Bank Credit Cards	18.8
Outside Financing	19.5
In-house Financing	9.8

Average discount rate for bank credit card transactions was 1.7%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	62.0
Television	12.3
Radio	13.0
Yellow Pages	4.3
Direct Mail	5.1
Other	3.1

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	20959
Office	4495
Service	5210
Warehouse	19235
Total	50067

The average annual sales per square foot of selling space was $495
The average annual sales per square foot of total space was $207

INVENTORY TURNS *for*

Product	2.5
Parts	.4

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	15.3
Commission only	38.4
Salary & Commission	30.7
Other	15.3

The average annual sales per salesperson was $548,063

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	30.0
Commission only	50.0
Salary & commission	10.0
Other	10.0

MISCELLANEOUS

The average dealer has been in business for 36.2 years.

The average percent of total employees in each category was

Sales personnel	28.8
Service personnel	16.5
Office personnel	23.9
Owners/managers	7.5
Delivery Personnel	14.6
Other	8.3

Total annual sales per employee averaged $158,350.

Percentage of dealers in this category selling service contracts -- 88.8%
with an in-store computer -- 66.6%
belonging to a buying group -- 77.7%

Total average sales, compared to 1984, were up 14.9%

APPLIANCE/ELECTRONICS SALES & SERVICE FIRMS

Volume over $5 Million

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		76.26	
Product (% of sales)	81.2		
Parts (% of sales)	66.0		
Technician Wages (% of sales)	61.3		
GROSS MARGIN		23.74	
TOTAL OPERATING COSTS		20.16	
Proprietors/Partners/Executive Salaries	4.59		
Office Salaries	1.84		
Sales Salaries	3.11		
Delivery Wages	.66		
Other Payroll	.25		
Employee Benefits	.41		
Payroll Taxes (Employer's Share)	.86		
Other Taxes & Licenses (Omit Income Tax)	.27		
Occupancy - Rent or Building Depreciation	1.56		
Occupancy - Building Maintenance	.19		
Utilities	.30		
Advertising, Promotion (net after deducting co-op)	1.88		
Delivery Truck Expense (gas, oil, maintenance)	.30		
Service Truck Expense (gas, oil, maintenance)	.03		
Other Vehicle Expense (gas, oil, maintenance)	.03		
Truck Depreciation or Lease Cost	.03		
Office Supplies	.35		
Postage, UPS, etc. Expense	.05		
Telephone	.22		
Yellow Page Advertising	.03		
Accounting & Legal	.13		
Travel	.15		
Dues, Subscriptions, Periodicals	.05		
Credit Card Processing Fees	.42		
Insurance - All Categories	.60		
Shop Supplies	.03		
Business & Technical Training Expense	.01		
Depreciation - Other	.03		
Depreciation (Total, if not categorized)	.43		
Miscellaneous Expense	1.35		
NET OPERATING PROFIT		3.58	
OTHER INCOME		1.61	
Interest Income	.31		
Service Contract Income	.68		
Suppliers' Rebates	.37		
Other	.25		
TOTAL INCOME		5.19	
OTHER EXPENSE		.73	
Bad Debt Loss Less Recoveries	.06		
Interest Paid	.49		
Service Contract Expense	.12		
Other	.06		
BEFORE TAX PROFIT		4.46	
FEDERAL & STATE INCOME TAX	2.43		
NET INCOME		2.03	

APPLIANCE/ELECTRONICS – SALES & SERVICE

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	62.1
Bank Credit Cards	11.1
Outside Financing	19.1
In-house Financing	7.6

Average discount rate for bank credit card transactions was 1.92%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	62.1
Television	5.5
Radio	13.1
Yellow Pages	11.9
Direct Mail	5.1
Other	2.1

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	6225
Office	1014
Service	1714
Warehouse	5901
Total	14876

The average annual sales per square foot of selling space was $437
The average annual sales per square foot of total space was $183

INVENTORY TURNS *for*

Product	2.5
Parts	1.1

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	25.0
Commission only	21.4
Salary & Commission	48.8
Other	4.7

The average annual sales per salesperson was $538,235

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	51.3
Commission only	23.6
Salary & commission	19.7
Other	5.2

MISCELLANEOUS

The average dealer has been in business for 29.7 years.

The average percent of total employees in each category was

Sales personnel	25.9
Service personnel	22.3
Office personnel	19.4
Owners/managers	9.7
Delivery Personnel	15.3
Other	6.9

Total annual sales per employee averaged $139,914.

Percentage of dealers in this category selling service contracts -- 75.6%
with an in-store computer -- 40.5%
belonging to a buying group -- 62.1%

Total average sales, compared to 1984, were up 13.4%

APPLIANCE/ELECTRONICS SALES & SERVICE FIRMS

Average for all volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		76.22	
Product (% of sales)	79.4		
Parts (% of sales)	63.0		
Technician Wages (% of sales)	66.9		
GROSS MARGIN		23.78	
TOTAL OPERATING COSTS		20.87	
Proprietors/Partners/Executive Salaries	2.00		
Office Salaries	1.85		
Sales Salaries	5.27		
Delivery Wages	.85		
Other Payroll	.31		
Employee Benefits	.38		
Payroll Taxes (Employer's Share)	.97		
Other Taxes & Licenses (Omit Income Tax)	.30		
Occupancy - Rent or Building Depreciation	1.61		
Occupancy - Building Maintenance	.21		
Utilities	.38		
Advertising, Promotion (net after deducting co-op)	2.14		
Delivery Truck Expense (gas, oil, maintenance)	.33		
Service Truck Expense (gas, oil, maintenance)	.11		
Other Vehicle Expense (gas, oil, maintenance)	.10		
Truck Depreciation or Lease Cost	.04		
Auto Depreciation or Lease Cost	.01		
Office Supplies	.35		
Postage, UPS, etc. Expense	.04		
Telephone	.28		
Yellow Page Advertising	.06		
Accounting & Legal	.16		
Travel	.16		
Dues, Subscriptions, Periodicals	.08		
Insurance - All Categories	.80		
Credit Card Processing Fees	.34		
Shop Supplies	.11		
Business & Technical Training Expense	.01		
Depreciation - Other	.03		
Depreciation (Total, if not categorized)	.53		
Miscellaneous Expense	1.06		
NET OPERATING PROFIT		2.91	
OTHER INCOME		1.75	
Interest Income	.35		
Service Contract Income	.56		
Suppliers' Rebates	.47		
Other	.37		
TOTAL INCOME		4.66	
OTHER EXPENSE		.84	
Bad Debt Loss Less Recoveries	.07		
Interest Paid	.60		
Service Contract Expense	.09		
Other	.08		
BEFORE TAX PROFIT		3.82	
FEDERAL & STATE INCOME TAX	1.86		
NET INCOME		1.96	

ELECTRONICS – SALES & SERVICE
Volume under $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	69.8
Bank Credit Cards	8.5
Outside Financing	17.3
In-house Financing	4.3

Average discount rate for bank credit card transactions was 2.42%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	41.1
Television	1.6
Radio	17.8
Yellow Pages	29.8
Direct Mail	8.3
Other	1.2

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2110
Office	383
Service	1030
Warehouse	944
Total	4486

The average annual sales per square foot of selling space was $208
The average annual sales per square foot of total space was $98

INVENTORY TURNS *for*

Product	3.2
Parts	1.1

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	42.1
Commission only	10.5
Salary & Commission	42.1
Other	5.2

The average annual sales per salesperson was $253,177

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	47.8
Commission only	13.0
Salary & commission	30.4
Other	8.6

MISCELLANEOUS

The average dealer has been in business for 28.1 years.

The average percent of total employees in each category was

Sales personnel	25.2
Service personnel	42.7
Office personnel	10.9
Owners/managers	18.6
Delivery Personnel	2.1
Other	0.0

Total annual sales per employee averaged $63,878.

Percentage of dealers in this category selling service contracts -- 65.0%
with an in-store computer -- 50.0%
belonging to a buying group -- 30.0%

Total average sales, compared to 1984, were up 1.8%

ELECTRONICS SALES & SERVICE FIRMS

Volume under $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		65.44	
Product (% of sales)	74.2		
Parts (% of sales)	54.6		
Technician Wages (% of sales)	51.3		
GROSS MARGIN		34.56	
TOTAL OPERATING COSTS		30.29	
Proprietors/Partners/Executive Salaries	5.41		
Office Salaries	1.21		
Sales Salaries	3.77		
Delivery Wages	.21		
Other Payroll	.92		
Employee Benefits	.29		
Payroll Taxes (Employer's Share)	1.70		
Other Taxes & Licenses (Omit Income Tax)	.56		
Occupancy - Rent or Building Depreciation	3.37		
Occupancy - Building Maintenance	.32		
Utilities	1.02		
Advertising, Promotion (net after deducting co-op)	2.71		
Delivery Truck Expense (gas, oil, maintenance)	.33		
Service Truck Expense (gas, oil, maintenance)	.40		
Other Vehicle Expense (gas, oil, maintenance)	.23		
Truck Depreciation or Lease Cost	.36		
Office Supplies	.48		
Postage, UPS, etc. Expense	.26		
Telephone	.80		
Yellow Page Advertising	.50		
Accounting & Legal	1.01		
Travel	.36		
Dues, Subscriptions, Periodicals	.21		
Credit Card Processing Fees	.10		
Insurance - All Categories	1.72		
Shop Supplies	.40		
Business & Technical Training Expense	.08		
Depreciation - Other	.03		
Depreciation (Total, if not categorized)	1.07		
Miscellaneous Expense	.46		
NET OPERATING PROFIT		4.27	
OTHER INCOME		.93	
Interest Income	.31		
Service Contract Income	.22		
Suppliers' Rebates	.06		
Other	.34		
TOTAL INCOME		5.20	
OTHER EXPENSE		1.66	
Bad Debt Loss Less Recoveries	.11		
Interest Paid	1.44		
Service Contract Expense	.11		
BEFORE TAX PROFIT		3.54	
FEDERAL & STATE INCOME TAX	.14		
NET INCOME		3.40	

ELECTRONICS – SALES & SERVICE
Volume over $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	64.0
Bank Credit Cards	18.7
Outside Financing	9.0
In-house Financing	8.1

Average discount rate for bank credit card transactions was 1.42%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	54.5
Television	5.5
Radio	22.6
Yellow Pages	6.8
Direct Mail	10.5
Other	0.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	3720
Office	1060
Service	1120
Warehouse	2240
Total	8160

The average annual sales per square foot of selling space was $646
The average annual sales per square foot of total space was $294

INVENTORY TURNS *for*

Product	3.1
Parts	3.2

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	00.0
Commission only	55.5
Salary & Commission	44.4
Other	00.0

The average annual sales per salesperson was $381,803

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	22.2
Commission only	11.1
Salary & commission	66.6
Other	00.0

MISCELLANEOUS

The average dealer has been in business for 24.2 years.

The average percent of total employees in each category was

Sales personnel	40.0
Service personnel	13.3
Office personnel	14.0
Owners/managers	16.0
Delivery Personnel	6.6
Other	10.0

Total annual sales per employee averaged $152,721.

Percentage of dealers in this category selling service contracts -- 77.7%
with an in-store computer -- 88.8%
belonging to a buying group -- 55.5%

Total average sales, compared to 1984, were up 5.5%

ELECTRONICS SALES & SERVICE ONLY

Volume over $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		70.64	
Product (% of sales)	72.5		
Parts (% of sales)	84.7		
Technician Wages (% of sales)	72.8		
GROSS MARGIN		29.36	
TOTAL OPERATING COSTS		28.94	
Proprietors/Partners/Executive Salaries	3.01		
Office Salaries	1.91		
Sales Salaries	7.17		
Delivery Wages	.58		
Other Payroll	.42		
Employee Benefits	.33		
Payroll Taxes (Employer's Share)	1.39		
Other Taxes & Licenses (Omit Income Tax)	.19		
Occupancy - Rent or Building Depreciation	2.31		
Occupancy - Building Maintenance	.27		
Utilities	.64		
Advertising, Promotion (net after deducting co-op)	4.65		
Delivery Truck Expense (gas, oil, maintenance)	.17		
Service Truck Expense (gas, oil, maintenance)	.13		
Other Vehicle Expense (gas, oil, maintenance)	.25		
Truck Depreciation or Lease Cost	.05		
Auto Depreciation or Lease Cost	.04		
Office Supplies	.42		
Postage, UPS, etc. Expense	.21		
Telephone	.53		
Yellow Page Advertising	.30		
Accounting & Legal	.39		
Travel	.38		
Dues, Subscriptions, Periodicals	.15		
Credit Card Processing Fees	.41		
Insurance - All Categories	.83		
Shop Supplies	.15		
Business & Technical Training Expense	.06		
Depreciation - Other	.23		
Depreciation (Total, if not categorized)	.83		
Miscellaneous Expense	.54		
NET OPERATING PROFIT		.42	
OTHER INCOME		2.63	
Interest Income	.30		
Service Contract Income	.93		
Suppliers' Rebates	.96		
Other	.44		
TOTAL INCOME		3.05	
OTHER EXPENSE		1.44	
Bad Debt Loss Less Recoveries	.03		
Interest Paid	.72		
Service Contract Expense	.63		
Other	.06		
BEFORE TAX PROFIT		1.61	
FEDERAL & STATE INCOME TAX	.43		
NET INCOME		1.18	

ELECTRONICS – SALES & SERVICE
Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	68.1
Bank Credit Cards	11.6
Outside Financing	14.8
In-house Financing	5.4

Average discount rate for bank credit card transactions was 2.06%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	44.7
Television	2.7
Radio	19.1
Yellow Pages	23.5
Direct Mail	8.9
Other	.9

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2583
Office	582
Service	1056
Warehouse	1325
Total	5566

The average annual sales per square foot of selling space was $380
The average annual sales per square foot of total space was $176

INVENTORY TURNS *for*

Product	3.2
Parts	1.8

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	28.5
Commission only	25.0
Salary & Commission	42.8
Other	3.5

The average annual sales per salesperson was $340,899

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	40.6
Commission only	12.5
Salary & commission	40.6
Other	6.2

MISCELLANEOUS

The average dealer has been in business for 26.8 years.

The average percent of total employees in each category was

Sales personnel	34.3
Service personnel	24.4
Office personnel	12.8
Owners/managers	16.9
Delivery Personnel	4.9
Other	6.1

Total annual sales per employee averaged $117,141.

Percentage of dealers in this category selling service contracts -- 68.9%
with an in-store computer -- 62.0%
belonging to a buying group -- 37.9%

Total average sales, compared to 1984, were up 4.6%

ELECTRONICS SALES & SERVICE FIRMS

Average for all volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		69.32	
Product (% of sales)	72.9		
Parts (% of sales)	66.8		
Technician Wages (% of sales)	60.4		
GROSS MARGIN		30.68	
TOTAL OPERATING COSTS		29.28	
Proprietors/Partners/Executive Salaries	3.62		
Office Salaries	1.73		
Sales Salaries	6.31		
Delivery Wages	.49		
Other Payroll	.54		
Employee Benefits	.32		
Payroll Taxes (Employer's Share)	1.47		
Other Taxes & Licenses (Omit Income Tax)	.29		
Occupancy - Rent or Building Depreciation	2.58		
Occupancy - Building Maintenance	.28		
Utilities	.74		
Advertising, Promotion (net after deducting co-op)	4.16		
Delivery Truck Expense (gas, oil, maintenance)	.21		
Service Truck Expense (gas, oil, maintenance)	.20		
Other Vehicle Expense (gas, oil, maintenance)	.24		
Truck Depreciation or Lease Cost	.13		
Auto Depreciation or Lease Cost	.03		
Office Supplies	.44		
Postage, UPS, etc. Expense	.22		
Telephone	.59		
Yellow Page Advertising	.35		
Accounting & Legal	.55		
Travel	.38		
Dues, Subscriptions, Periodicals	.16		
Credit Card Processing Fees	.33		
Insurance - All Categories	1.05		
Shop Supplies	.21		
Business & Technical Training Expense	.07		
Depreciation - Other	.18		
Depreciation (Total, if not categorized)	.89		
Miscellaneous Expense	.52		
NET OPERATING PROFIT		1.40	
OTHER INCOME		2.20	
Interest Income	.30		
Service Contract Income	.75		
Suppliers' Rebates	.73		
Other	.42		
TOTAL INCOME		3.60	
OTHER EXPENSE		1.50	
Bad Debt Loss Less Recoveries	.05		
Interest Paid	.90		
Service Contract Expense	.50		
Other	.05		
BEFORE TAX PROFIT		2.10	
FEDERAL & STATE INCOME TAX	.36		
NET INCOME		1.74	

APPLIANCE – SALES & SERVICE
Volume under $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	78.3
Bank Credit Cards	6.5
Outside Financing	9.5
In-house Financing	5.7

Average discount rate for bank credit card transactions was 2.28%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	37.8
Television	1.2
Radio	12.5
Yellow Pages	42.1
Direct Mail	2.2
Other	4.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	1743
Office	374
Service	940
Warehouse	2000
Total	5051

The average annual sales per square foot of selling space was $320
The average annual sales per square foot of total space was $110

INVENTORY TURNS *for*

Product	4.5
Parts	3.3

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	48.1
Commission only	14.8
Salary & Commission	22.2
Other	14.8

The average annual sales per salesperson was $453,371

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	44.4
Commission only	22.2
Salary & commission	14.8
Other	18.5

MISCELLANEOUS

The average dealer has been in business for 21.2 years.

The average percent of total employees in each category was

Sales personnel	17.8
Service personnel	35.7
Office personnel	17.0
Owners/managers	17.8
Delivery Personnel	8.1
Other	3.2

Total annual sales per employee averaged $81,090.

Percentage of dealers in this category selling service contracts -- 48.0%
with an in-store computer -- 32.0%
belonging to a buying group -- 12.0%

Total average sales, compared to 1984, were up 15.0%

APPLIANCE SALES & SERVICE FIRMS

Volume under $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		68.23	
Product (% of sales)	74.2		
Parts (% of sales)	62.5		
Technician Wages (% of sales)	54.1		
GROSS MARGIN		31.77	
TOTAL OPERATING COSTS		28.56	
Proprietors/Partners/Executive Salaries	4.14		
Office Salaries	2.17		
Sales Salaries	3.51		
Delivery Wages	1.01		
Other Payroll	.52		
Employee Benefits	.05		
Payroll Taxes (Employer's Share)	1.55		
Other Taxes & Licenses (Omit Income Tax)	.74		
Occupancy - Rent or Building Depreciation	1.93		
Occupancy - Building Maintenance	.28		
Utilities	.68		
Advertising, Promotion (net after deducting co-op)	2.93		
Delivery Truck Expense (gas, oil, maintenance)	.40		
Service Truck Expense (gas, oil, maintenance)	.77		
Other Vehicle Expense (gas, oil, maintenance)	.45		
Truck Depreciation or Lease Cost	.42		
Office Supplies	.55		
Postage, UPS, etc. Expense	.04		
Telephone	.52		
Yellow Page Advertising	1.01		
Accounting & Legal	.40		
Travel	.10		
Dues, Subscriptions, Periodicals	.24		
Credit Card Processing Fees	.07		
Insurance - All Categories	2.17		
Shop Supplies	.24		
Business & Technical Training Expense	.05		
Depreciation - Other	.12		
Depreciation (Total, if not categorized)	1.11		
Miscellaneous Expense	.39		
NET OPERATING PROFIT		3.21	
OTHER INCOME		.93	
Interest Income	.24		
Suppliers' Rebates	.25		
Other	.44		
TOTAL INCOME		4.14	
OTHER EXPENSE		.95	
Bad Debt Loss Less Recoveries	.08		
Interest Paid	.87		
BEFORE TAX PROFIT		3.19	
FEDERAL & STATE INCOME TAX	.38		
NET INCOME		2.81	

APPLIANCE – SALES & SERVICE
Volume over $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	63.2
Bank Credit Cards	15.0
Outside Financing	14.2
In-house Financing	7.5

Average discount rate for bank credit card transactions was 2.1%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	60.8
Television	16.7
Radio	6.5
Yellow Pages	11.2
Direct Mail	4.2
Other	.5

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	6080
Office	540
Service	1800
Warehouse	5510
Total	13930

The average annual sales per square foot of selling space was $350
The average annual sales per square foot of total space was $152

INVENTORY TURNS *for*

Product	3.9
Parts	.7

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	00.0
Commission only	20.0
Salary & Commission	60.0
Other	20.0

The average annual sales per salesperson was $511,404

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	20.0
Commission only	20.0
Salary & commission	40.0
Other	20.0

MISCELLANEOUS

The average dealer has been in business for 29.2 years.

The average percent of total employees in each category was

Sales personnel	19.5
Service personnel	24.3
Office personnel	17.0
Owners/managers	21.9
Delivery Personnel	13.4
Other	3.6

Total annual sales per employee averaged $99,786.

Percentage of dealers in this category selling service contracts -- 80.0%
with an in-store computer -- 80.0%
belonging to a buying group -- 60.0%

Total average sales, compared to 1984, were up 8.6%

APPLIANCE SALES & SERVICE FIRMS

Volume over $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		73.50	
Product (% of sales)	75.9		
Parts (% of sales)	56.5		
Technician Wages (% of sales)	62.9		
GROSS MARGIN		26.50	
TOTAL OPERATING COSTS		25.97	
Proprietors/Partners/Executive Salaries	3.68		
Office Salaries	2.31		
Sales Salaries	3.96		
Delivery Wages	2.36		
Other Payroll	.19		
Employee Benefits	.67		
Payroll Taxes (Employer's Share)	1.49		
Other Taxes & Licenses (Omit Income Tax)	.17		
Occupancy - Rent or Building Depreciation	2.09		
Occupancy - Building Maintenance	.31		
Utilities	.64		
Advertising, Promotion (net after deducting co-op)	2.57		
Delivery Truck Expense (gas, oil, maintenance)	.40		
Service Truck Expense (gas, oil, maintenance)	.62		
Truck Depreciation or Lease Cost	.23		
Office Supplies	.37		
Postage, UPS, etc. Expense	.06		
Telephone	.27		
Yellow Page Advertising	.09		
Accounting & Legal	.45		
Travel	.21		
Dues, Subscriptions, Periodicals	.20		
Credit Card Processing Fees	.21		
Insurance - All Categories	1.52		
Shop Supplies	.23		
Business & Technical Training Expense	.12		
Depreciation - Other	.10		
Depreciation (Total, if not categorized)	.34		
Miscellaneous Expense	.11		
NET OPERATING PROFIT		.53	
OTHER INCOME		.86	
Interest Income	.20		
Service Contract Income	.06		
Suppliers' Rebates	.49		
Other	.11		
TOTAL INCOME		1.39	
OTHER EXPENSE		1.34	
Bad Debt Loss Less Recoveries	.14		
Interest Paid	1.18		
Service Contract Expense	.02		
BEFORE TAX PROFIT		.05	
FEDERAL & STATE INCOME TAX	.00		
NET INCOME		.05	

APPLIANCE – SALES & SERVICE

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	76.1
Bank Credit Cards	7.9
Outside Financing	9.8
In-house Financing	6.1

Average discount rate for bank credit card transactions was 2.26%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	39.9
Television	4.0
Radio	11.3
Yellow Pages	38.1
Direct Mail	3.1
Other	3.4

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2686
Office	410
Service	1127
Warehouse	2763
Total	6981

The average annual sales per square foot of selling space was $319
The average annual sales per square foot of total space was $122

INVENTORY TURNS *for*

Product	4.2
Parts	1.9

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	39.3
Commission only	15.1
Salary & Commission	30.3
Other	15.1

The average annual sales per salesperson was $586,597

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	40.0
Commission only	22.8
Salary & commission	20.0
Other	17.1

MISCELLANEOUS

The average dealer has been in business for 22.3 years.

The average percent of total employees in each category was

Sales personnel	14.4
Service personnel	40.6
Office personnel	18.0
Owners/managers	13.1
Delivery Personnel	9.1
Other	4.5

Total annual sales per employee averaged $84,623.

Percentage of dealers in this category selling service contracts -- 54.8%
with an in-store computer -- 38.7%
belonging to a buying group -- 19.3%

Total average sales, compared to 1984, were up 11.0%

APPLIANCE SALES & SERVICE FIRMS

Average for all volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		69.20	
Product (% of sales)	75.1		
Parts (% of sales)	60.2		
Technician Wages (% of sales)	57.9		
GROSS MARGIN		30.80	
TOTAL OPERATING COSTS		29.33	
Proprietors/Partners/Executive Salaries	3.50		
Office Salaries	2.24		
Sales Salaries	2.55		
Delivery Wages	1.49		
Other Payroll	1.55		
Employee Benefits	.28		
Payroll Taxes (Employer's Share)	1.76		
Other Taxes & Licenses (Omit Income Tax)	.50		
Occupancy - Rent or Building Depreciation	1.85		
Occupancy - Building Maintenance	.26		
Utilities	.61		
Advertising, Promotion (net after deducting co-op)	2.38		
Delivery Truck Expense (gas, oil, maintenance)	.30		
Service Truck Expense (gas, oil, maintenance)	.91		
Other Vehicle Expense (gas, oil, maintenance)	.32		
Truck Depreciation or Lease Cost	.52		
Office Supplies	.61		
Postage, UPS, etc. Expense	.04		
Telephone	.92		
Yellow Page Advertising	.77		
Accounting & Legal	.38		
Travel	.18		
Dues, Subscriptions, Periodicals	.17		
Credit Card Processing Fees	.10		
Insurance - All Categories	1.74		
Shop Supplies	.21		
Business & Technical Training Expense	.07		
Depreciation - Other	.08		
Depreciation (Total, if not categorized)	.96		
Miscellaneous Expense	2.08		
NET OPERATING PROFIT		1.47	
OTHER INCOME		1.47	
Interest Income	.40		
Service Contract Income	.10		
Suppliers' Rebates	.47		
Other	.50		
TOTAL INCOME		2.94	
OTHER EXPENSE		.97	
Bad Debt Loss Less Recoveries	.08		
Interest Paid	.83		
Service Contract Expense	.05		
Other	.01		
BEFORE TAX PROFIT		1.97	
FEDERAL & STATE INCOME TAX	.44		
NET INCOME		1.53	

APPLIANCE/ELECTRONICS -- SALES ONLY
Volume under $5,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	58.9
Bank Credit Cards	13.3
Outside Financing	24.5
In-house Financing	3.3

Average discount rate for bank credit card transactions was 1.79%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	59.0
Television	13.7
Radio	11.5
Yellow Pages	5.0
Direct Mail	9.7
Other	1.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	6056
Office	1193
Warehouse	7325
Total	14250

The average annual sales per square foot of selling space was $367
The average annual sales per square foot of total space was $156

INVENTORY TURNS *for*

Product	4.4

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	10.0
Commission only	50.0
Salary & Commission	40.0
Other	0

The average annual sales per salesperson was $414,583

MISCELLANEOUS

The average dealer has been in business for 20.9 years.

The average percent of total employees in each category was

Sales personnel	45.4
Office personnel	17.1
Owners/managers	15.1
Delivery Personnel	21.2
Other	.9

Total annual sales per employee averaged $188,233.

Percentage of dealers in this category selling service contracts -- 90.0%
with an in-store computer -- 50.0%
belonging to a buying group -- 90.0%

Total average sales, compared to 1984, were up .5%

APPLIANCE/ELECTRONICS SALES ONLY FIRMS

Volume under $5,000,000

			Yours
NET SALES		100.00	
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		79.43	
GROSS MARGIN		20.57	
TOTAL OPERATING COSTS		19.51	
Proprietors/Partners/Executive Salaries	1.62		
Office Salaries	1.03		
Sales Salaries	4.65		
Delivery Wages	1.01		
Other Payroll	.15		
Employee Benefits	.14		
Payroll Taxes (Employer's Share)	.62		
Other Taxes & Licenses (Omit Income Tax)	.41		
Occupancy - Rent or Building Depreciation	1.34		
Occupancy - Building Maintenance	.20		
Utilities	.64		
Advertising, Promotion (net after deducting co-op)	3.21		
Delivery Truck Expense (gas, oil, maintenance)	.48		
Other Vehicle Expense (gas, oil, maintenance)	.10		
Truck Depreciation or Lease Cost	.09		
Auto Depreciation or Lease Cost	.08		
Office Supplies	.30		
Postage, UPS, etc. Expense	.01		
Telephone	.26		
Yellow Page Advertising	.15		
Accounting & Legal	.20		
Travel	.19		
Dues, Subscriptions, Periodicals	.08		
Credit Card Processing Fees	.15		
Insurance - All Categories	1.06		
Shop Supplies	.14		
Business & Technical Training Expense	.02		
Depreciation - Other	.19		
Depreciation (Total, if not categorized)	.69		
Miscellaneous Expense	.30		
NET OPERATING PROFIT		1.06	
OTHER INCOME		1.40	
Interest Income	.15		
Service Contract Income	.41		
Suppliers' Rebates	.41		
Other	.43		
TOTAL INCOME		2.46	
OTHER EXPENSE		1.30	
Bad Debt Loss Less Recoveries	.07		
Interest Paid	.94		
Service Contract Expense	.14		
Other	.15		
BEFORE TAX PROFIT		1.16	
FEDERAL & STATE INCOME TAX	.09		
NET INCOME		1.07	

APPLIANCE/ELECTRONICS – SALES ONLY

Volume over $5,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	60.5
Bank Credit Cards	17.5
Outside Financing	17.8
In-house Financing	4.1

Average discount rate for bank credit card transactions was 1.51%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	78.7
Television	10.5
Radio	5.5
Yellow Pages	1.5
Direct Mail	3.0
Other	.7

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	15550
Office	2550
Warehouse	16150
Total	34250

The average annual sales per square foot of selling space was $551
The average annual sales per square foot of total space was $250

INVENTORY TURNS *for*

Product	2.7

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	14.2
Commission only	42.8
Salary & Commission	14.2
Other	28.5

The average annual sales per salesperson was $705,726

MISCELLANEOUS

The average dealer has been in business for 26.1 years.

The average percent of total employees in each category was

Sales personnel	41.8
Office personnel	20.1
Owners/managers	13.9
Delivery Personnel	20.1
Other	3.8

Total annual sales per employee averaged $295,420.

Percentage of dealers in this category selling service contracts -- 100.0%
with an in-store computer -- 50.0%
belonging to a buying group -- 83.3%

Total average sales, compared to 1984, were up 30.4%

APPLIANCE/ELECTRONICS SALES ONLY

Volume over $5,000,000

			Yours
NET SALES		100.00	
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		77.85	
GROSS MARGIN		22.15	
TOTAL OPERATING COSTS		20.84	
Proprietors/Partners/Executive Salaries	1.62		
Office Salaries	1.01		
Sales Salaries	5.18		
Delivery Wages	.72		
Other Payroll	.02		
Employee Benefits	.56		
Payroll Taxes (Employer's Share)	.73		
Other Taxes & Licenses (Omit Income Tax)	.17		
Occupancy - Rent or Building Depreciation	.91		
Occupancy - Building Maintenance	.44		
Utilities	.33		
Advertising, Promotion (net after [illegible]ting co-op)	5.11		
Delivery Truck Expense (gas, oil, maintenance)	1.03		
Other Vehicle Expense (gas, oil, maintenance)	.06		
Office Supplies	.35		
Telephone	.22		
Yellow Page Advertising	.04		
Accounting & Legal	.26		
Travel	.19		
Dues, Subscriptions, Periodicals	.08		
Credit Card Processing Fees	.24		
Insurance - All Categories	.59		
Shop Supplies	.01		
Business & Technical Training Expense	.10		
Depreciation (Total, if not categorized)	.63		
Miscellaneous Expense	.24		
NET OPERATING PROFIT		1.31	
OTHER INCOME		1.85	
Interest Income	.24		
Service Contract Income	.67		
Suppliers' Rebates	.57		
Other	.37		
TOTAL INCOME		3.16	
OTHER EXPENSE		.65	
Bad Debt Loss Less Recoveries	.01		
Interest Paid	.48		
Service Contract Expense	.02		
Other	.14		
BEFORE TAX PROFIT		2.51	
FEDERAL & STATE INCOME TAX	.84		
NET INCOME		1.67	

APPLIANCE/ELECTRONICS – SALES ONLY

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	59.5
Bank Credit Cards	14.8
Outside Financing	22.0
In-house Financing	3.6

Average discount rate for bank credit card transactions was 1.69%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	65.6
Television	12.6
Radio	9.5
Yellow Pages	3.8
Direct Mail	7.5
Other	.9

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	9220
Office	1645
Warehouse	10266
Total	20916

The average annual sales per square foot of selling space was $492
The average annual sales per square foot of total space was $217

INVENTORY TURNS *for*

Product	3.4

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	11.7
Commission only	47.0
Salary & Commission	29.4
Other	11.7

The average annual sales per salesperson was $552,907

MISCELLANEOUS

The average dealer has been in business for 22.8 years.

The average percent of total employees in each category was

Sales personnel	43.4
Office personnel	18.8
Owners/managers	14.4
Delivery Personnel	20.5
Other	2.6

Total annual sales per employee averaged $240,024.

Percentage of dealers in this category selling service contracts -- 93.7%
with an in-store computer -- 50.0%
belonging to a buying group -- 87.5%

Total average sales, compared to 1984, were up 13.8%

APPLIANCE/ELECTRONIC SALES ONLY

Average for all volumes

			Yours
NET SALES		100.00	
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		78.36	
GROSS MARGIN		21.64	
TOTAL OPERATING COSTS		20.41	
Proprietors/Partners/Executive Salaries	1.62		
Office Salaries	1.02		
Sales Salaries	5.01		
Delivery Wages	.81		
Other Payroll	.06		
Employee Benefits	.42		
Payroll Taxes (Employer's Share)	.70		
Other Taxes & Licenses (Omit Income Tax)	.25		
Occupancy - Rent or Building Depreciation	1.05		
Occupancy - Building Maintenance	.36		
Utilities	.43		
Advertising, Promotion (net after deducting co-op)	4.51		
Delivery Truck Expense (gas, oil, maintenance)	.86		
Other Vehicle Expense (gas, oil, maintenance)	.07		
Truck Depreciation or Lease Cost	.03		
Auto Depreciation or Lease Cost	.03		
Office Supplies	.34		
Telephone	.23		
Yellow Page Advertising	.07		
Accounting & Legal	.24		
Travel	.19		
Dues, Subscriptions, Periodicals	.08		
Credit Card Processing Fees	.21		
Insurance - All Categories	.73		
Shop Supplies	.05		
Business & Technical Training Expense	.07		
Depreciation - Other	.06		
Depreciation (Total, if not categorized)	.65		
Miscellaneous Expense	.26		
NET OPERATING PROFIT		1.23	
OTHER INCOME		1.71	
Interest Income	.21		
Service Contract Income	.59		
Suppliers' Rebates	.52		
Other	.39		
TOTAL INCOME		2.94	
OTHER EXPENSE		.86	
Bad Debt Loss Less Recoveries	.03		
Interest Paid	.63		
Service Contract Expense	.06		
Other	.14		
BEFORE TAX PROFIT		2.08	
FEDERAL & STATE INCOME TAX	.60		
NET INCOME		1.48	

APPLIANCE/FURNITURE/ELECTRONICS -- SALES & SERVICE

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	37.6
Bank Credit Cards	4.2
Outside Financing	25.4
In-house Financing	32.6

Average discount rate for bank credit card transactions was 2.00%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	55.8
Television	12.1
Radio	22.0
Yellow Pages	5.1
Direct Mail	4.9
Other	.1

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	20068
Office	1596
Service	1926
Warehouse	14418
Total	38009

The average annual sales per square foot of selling space was $130
The average annual sales per square foot of total space was $68

INVENTORY TURNS *for*

Product	3.8
Parts	1.2

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	41.6
Commission only	33.3
Salary & Commission	25.0

The average annual sales per salesperson was $336,695

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	57.1
Commission only	14.2
Salary & commission	7.1
Other	21.4

MISCELLANEOUS

The average dealer has been in business for 41.9 years.

The average percent of total employees in each category was

Sales personnel	27.2
Service personnel	10.7
Office personnel	20.0
Owners/managers	11.8
Delivery Personnel	18.9
Other	11.0

Total annual sales per employee averaged $91,608.
Percentage of dealers in this category selling service contracts -- 58.3%
with an in-store computer -- 50.0%
belonging to a buying group -- 75.0%

Total average sales, compared to 1984, were up 3.5%

APPLIANCE/FURNITURE/ELECTRONICS SALES & SERVICE FIRMS

Average for All Volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		64.48	
Product (% of sales)	68.2		
Parts (% of sales)	72.8		
Technician Wages (% of sales)	61.2		
GROSS MARGIN		35.52	
TOTAL OPERATING COSTS		30.51	
Proprietors/Partners/Executive Salaries	3.31		
Office Salaries	1.81		
Sales Salaries	5.82		
Delivery Wages	2.29		
Other Payroll	1.65		
Employee Benefits	.66		
Payroll Taxes (Employer's Share)	1.54		
Other Taxes & Licenses (Omit Income Tax)	.29		
Occupancy - Rent or Building Depreciation	2.70		
Occupancy - Building Maintenance	.30		
Utilities	.73		
Advertising, Promotion (net after deducting co-op)	4.24		
Delivery Truck Expense (gas, oil, maintenance)	.66		
Service Truck Expense (gas, oil, maintenance)	.12		
Other Vehicle Expense (gas, oil, maintenance)	.05		
Truck Depreciation or Lease Cost	.02		
Office Supplies	.52		
Postage, UPS, etc. Expense	.07		
Telephone	.35		
Yellow Page Advertising	.06		
Accounting & Legal	.34		
Travel	.25		
Dues, Subscriptions, Periodicals	.13		
Credit Card Processing Fees	.03		
Insurance - All Categories	1.25		
Shop Supplies	.15		
Business & Technical Training Expense	.07		
Depreciation - Other	.22		
Depreciation (Total, if not categorized)	.62		
Miscellaneous Expense	.26		
NET OPERATING PROFIT		5.01	
OTHER INCOME		2.32	
Interest Income	1.02		
Service Contract Income	.05		
Suppliers' Rebates	.35		
Other	.90		
TOTAL INCOME		7.33	
OTHER EXPENSE		5.52	
Interest Paid	.96		
Other	4.56		
BEFORE TAX PROFIT		1.81	
FEDERAL & STATE INCOME TAX	.21		
NET INCOME		1.60	

APPLIANCE/FURNITURE/ELECTRONICS – SALES ONLY

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	46.6
Bank Credit Cards	5.0
Outside Financing	20.8
In-house Financing	27.5

Average discount rate for bank credit card transactions was 1.48%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	48.6
Television	4.4
Radio	23.0
Yellow Pages	12.2
Direct Mail	11.6
Other	0.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	12407
Office	757
Warehouse	7200
Total	20357

The average annual sales per square foot of selling space was $93
The average annual sales per square foot of total space was $56

INVENTORY TURNS *for*

Product	3.4

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	27.2
Commission only	27.2
Salary & Commission	36.3
Other	9.0

The average annual sales per salesperson was $452,255

MISCELLANEOUS

The average dealer has been in business for 23.0 years.

The average percent of total employees in each category was

Sales personnel	35.4
Office personnel	20.7
Owners/managers	17.7
Delivery Personnel	17.7
Other	8.3

Total annual sales per employee averaged $160,173.

Percentage of dealers in this category selling service contracts -- 63.6%
with an in-store computer -- 36.3%
belonging to a buying group -- 36.3%

Total average sales, compared to 1984, were up 3.6%

APPLIANCE/FURNITURE/ELECTRONICS SALES ONLY FIRMS

Average for all volumes

			Yours
NET SALES		100.00	
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		72.98	
GROSS MARGIN		27.02	
TOTAL OPERATING COSTS		24.74	
Proprietors/Partners/Executive Salaries	3.08		
Office Salaries	1.38		
Sales Salaries	4.21		
Delivery Wages	1.52		
Other Payroll	.50		
Employee Benefits	.11		
Payroll Taxes (Employer's Share)	.79		
Other Taxes & Licenses (Omit Income Tax)	.88		
Occupancy - Rent or Building Depreciation	1.50		
Occupancy - Building Maintenance	.16		
Utilities	.59		
Advertising, Promotion (net after deducting co-op)	5.11		
Delivery Truck Expense (gas, oil, maintenance)	.58		
Other Vehicle Expense (gas, oil, maintenance)	.02		
Truck Depreciation or Lease Cost	.06		
Office Supplies	.32		
Postage, UPS, etc. Expense	.03		
Telephone	.24		
Yellow Page Advertising	.02		
Accounting & Legal	.37		
Travel	.28		
Dues, Subscriptions, Periodicals	.18		
Credit Card Processing Fees	.12		
Insurance - All Categories	.95		
Shop Supplies	.02		
Depreciation - Other	.02		
Depreciation (Total, if not categorized)	.52		
Miscellaneous Expense	1.18		
NET OPERATING PROFIT		2.28	
OTHER INCOME		3.67	
Interest Income	1.20		
Service Contract Income	.01		
Suppliers' Rebates	.99		
Other	1.47		
TOTAL INCOME		5.95	
OTHER EXPENSE		1.37	
Bad Debt Loss Less Recoveries	.58		
Interest Paid	.74		
Service Contract Expense	.01		
Other	.04		
BEFORE TAX PROFIT		4.58	
FEDERAL & STATE INCOME TAX	.42		
NET INCOME		4.16	

APPLIANCE/ELECTRONICS SALES – SERVICE & RENTAL
Volume under $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	57.3
Bank Credit Cards	7.4
Outside Financing	16.7
In-house Financing	18.5

Average discount rate for bank credit card transactions was 2.67%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	52.1
Television	7.0
Radio	14.0
Yellow Pages	16.2
Direct Mail	8.1
Other	2.5

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2875
Office	278
Service	776
Warehouse	1915
Total	5858

The average annual sales per square foot of selling space was $207
The average annual sales per square foot of total space was $101

INVENTORY TURNS *for*

Product	2.9
Parts	1.5

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	35.2
Commission only	11.7
Salary & Commission	41.1
Other	11.7

The average annual sales per salesperson was $444,582

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	52.9
Commission only	11.7
Salary & commission	29.4
Other	5.8

MISCELLANEOUS

The average dealer has been in business for 22.6 years.

The average percent of total employees in each category was

Sales personnel	20.4
Service personnel	32.0
Office personnel	13.5
Owners/managers	14.5
Delivery Personnel	12.5
Other	6.7

Total annual sales per employee averaged $90,731.
Percentage of dealers in this category selling service contracts -- 58.8%
with an in-store computer -- 16.6%
belonging to a buying group -- 44.4%

Total average sales, compared to 1984, were down 5.9%

APPLIANCE/ELECTRONIC SALES – SERVICE & RENTAL FIRMS

Volume under $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		73.58	
Product (% of sales)	76.3		
Parts (% of sales)	73.3		
Technician Wages (% of sales)	81.0		
Rental (% of sales)	30.9		
GROSS MARGIN		26.42	
TOTAL OPERATING COSTS		23.72	
Proprietors/Partners/Executive Salaries	3.80		
Office Salaries	1.56		
Sales Salaries	3.07		
Delivery Wages	1.04		
Other Payroll	.25		
Employee Benefits	.08		
Payroll Taxes (Employer's Share)	1.16		
Other Taxes & Licenses (Omit Income Tax)	1.12		
Occupancy - Rent or Building Depreciation	1.06		
Occupancy - Building Maintenance	.25		
Utilities	.78		
Advertising, Promotion (net after deducting co-op)	2.49		
Delivery Truck Expense (gas, oil, maintenance)	.45		
Service Truck Expense (gas, oil, maintenance)	.22		
Other Vehicle Expense (gas, oil, maintenance)	.23		
Truck Depreciation or Lease Cost	.13		
Office Supplies	.44		
Postage, UPS, etc. Expense	.14		
Telephone	.46		
Yellow Page Advertising	.24		
Accounting & Legal	.33		
Travel	.05		
Dues, Subscriptions, Periodicals	.22		
Credit Card Processing Fees	.06		
Insurance - All Categories	1.69		
Shop Supplies	.23		
Business & Technical Training Expense	.04		
Depreciation - Other	.16		
Depreciation (Total, if not categorized)	1.10		
Miscellaneous Expense	.87		
NET OPERATING PROFIT		2.70	
OTHER INCOME		1.04	
Interest Income	.40		
Suppliers' Rebates	.23		
Other	.41		
TOTAL INCOME		3.74	
OTHER EXPENSE		1.94	
Bad Debt Loss Less Recoveries	.32		
Interest Paid	1.58		
Other	.04		
BEFORE TAX PROFIT		1.80	
FEDERAL & STATE INCOME TAX	.21		
NET INCOME		1.59	

APPLIANCE/ELECTRONICS SALES – SERVICE & RENTAL
Volume over $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	46.4
Bank Credit Cards	12.6
Outside Financing	20.8
In-house Financing	20.0

Average discount rate for bank credit card transactions was 2.09%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	53.3
Television	7.2
Radio	13.0
Yellow Pages	10.7
Direct Mail	7.7
Other	8.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	18140
Office	1106
Service	2644
Warehouse	9688
Total	31584

The average annual sales per square foot of selling space was $133
The average annual sales per square foot of total space was $76

INVENTORY TURNS *for*

Product	2.6
Parts	1.4

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	13.3
Commission only	20.0
Salary & Commission	53.3
Other	13.3

The average annual sales per salesperson was $384,458

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	64.2
Commission only	7.1
Salary & commission	21.4
Other	7.1

MISCELLANEOUS

The average dealer has been in business for 35.2 years.

The average percent of total employees in each category was

Sales personnel	30.1
Service personnel	16.5
Office personnel	18.7
Owners/managers	8.2
Delivery Personnel	20.9
Other	5.2

Total annual sales per employee averaged $115,861.

Percentage of dealers in this category selling service contracts -- 76.9%
with an in-store computer -- 64.2%
belonging to a buying group -- 76.9%

Total average sales, compared to 1984, were up 2.5%

APPLIANCE/ELECTRONIC SALES -- SERVICE & RENTAL FIRMS

Volume over $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		72.21	
Product (% of sales)	74.7		
Parts (% of sales)	67.2		
Technician Wages (% of sales)	69.9		
Rental (% of sales)	47.3		
GROSS MARGIN		27.79	
TOTAL OPERATING COSTS		26.45	
Proprietors/Partners/Executive Salaries	2.78		
Office Salaries	1.98		
Sales Salaries	5.69		
Delivery Wages	1.13		
Other Payroll	.46		
Employee Benefits	.26		
Payroll Taxes (Employer's Share)	1.47		
Other Taxes & Licenses (Omit Income Tax)	.69		
Occupancy - Rent or Building Depreciation	2.12		
Occupancy - Building Maintenance	.34		
Utilities	.55		
Advertising, Promotion (net after deducting co-op)	2.44		
Delivery Truck Expense (gas, oil, maintenance)	.67		
Service Truck Expense (gas, oil, maintenance)	.18		
Other Vehicle Expense (gas, oil, maintenance)	.22		
Truck Depreciation or Lease Cost	.08		
Auto Depreciation or Lease Cost	.07		
Office Supplies	.31		
Postage, UPS, etc. Expense	.14		
Telephone	.44		
Yellow Page Advertising	.21		
Accounting & Legal	.20		
Travel	.17		
Dues, Subscriptions, Periodicals	.18		
Credit Card Processing Fees	.14		
Insurance - All Categories	1.39		
Shop Supplies	.31		
Business & Technical Training Expense	.03		
Depreciation - Other	.63		
Depreciation (Total, if not categorized)	.67		
Miscellaneous Expense	.50		
NET OPERATING PROFIT		1.34	
OTHER INCOME		1.65	
Interest Income	.64		
Suppliers' Rebates	.36		
Other	.65		
TOTAL INCOME		2.99	
OTHER EXPENSE		2.38	
Bad Debt Loss Less Recoveries	.15		
Interest Paid	1.71		
Other	.52		
BEFORE TAX PROFIT		.61	
FEDERAL & STATE INCOME TAX	.14		
NET INCOME		.47	

APPLIANCE/ELECTRONICS SALES -- SERVICE & RENTAL

Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	52.9
Bank Credit Cards	9.5
Outside Financing	18.4
In-house Financing	19.1

Average discount rate for bank credit card transactions was 2.42%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	52.6
Television	7.1
Radio	13.6
Yellow Pages	13.8
Direct Mail	7.9
Other	4.9

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	9120
Office	617
Service	1540
Warehouse	5094
Total	16382

The average annual sales per square foot of selling space was $155
The average annual sales per square foot of total space was $86

INVENTORY TURNS *for*

Product	2.6
Parts	1.5

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	25.0
Commission only	15.6
Salary & Commission	46.8
Other	12.5

The average annual sales per salesperson was $405,510

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	58.0
Commission only	9.6
Salary & commission	25.8
Other	6.4

MISCELLANEOUS

The average dealer has been in business for 28.5 years.

The average percent of total employees in each category was

Sales personnel	27.0
Service personnel	21.3
Office personnel	17.1
Owners/managers	10.1
Delivery Personnel	18.3
Other	5.6

Total annual sales per employee averaged $109,873.

Percentage of dealers in this category selling service contracts -- 66.6%
with an in-store computer -- 37.5%
belonging to a buying group -- 58.0%

Total average sales, compared to 1984, were up .9%

APPLIANCE/ELECTRONIC SALES – SERVICE RENTAL

Average for all volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		72.57	
Product (% of sales)	75.1		
Parts (% of sales)	68.7		
Technician Wages (% of sales)	73.3		
Rental (% of sales)	41.7		
GROSS MARGIN		27.43	
TOTAL OPERATING COSTS		25.75	
Proprietors/Partners/Executive Salaries	3.04		
Office Salaries	1.88		
Sales Salaries	5.02		
Delivery Wages	1.10		
Other Payroll	.40		
Employee Benefits	.22		
Payroll Taxes (Employer's Share)	1.39		
Other Taxes & Licenses (Omit Income Tax)	.80		
Occupancy - Rent or Building Depreciation	1.85		
Occupancy - Building Maintenance	.32		
Utilities	.61		
Advertising, Promotion (net after deducting co-op)	2.45		
Delivery Truck Expense (gas, oil, maintenance)	.62		
Service Truck Expense (gas, oil, maintenance)	.19		
Other Vehicle Expense (gas, oil, maintenance)	.22		
Truck Depreciation or Lease Cost	.09		
Auto Depreciation or Lease Cost	.06		
Office Supplies	.34		
Postage, UPS, etc. Expense	.14		
Telephone	.45		
Yellow Page Advertising	.22		
Accounting & Legal	.23		
Travel	.14		
Dues, Subscriptions, Periodicals	.19		
Credit Card Processing Fees	.12		
Insurance - All Categories	1.46		
Shop Supplies	.29		
Business & Technical Training Expense	.03		
Depreciation - Other	.51		
Depreciation (Total, if not categorized)	.78		
Miscellaneous Expense	.59		
NET OPERATING PROFIT		1.68	
OTHER INCOME		1.50	
Interest Income	.58		
Service Contract Income	.13		
Suppliers' Rebates	.33		
Other	.46		
TOTAL INCOME		3.18	
OTHER EXPENSE		2.27	
Bad Debt Loss Less Recoveries	.19		
Interest Paid	1.68		
Service Contract Expense	.15		
Other	.25		
BEFORE TAX PROFIT		.91	
FEDERAL & STATE INCOME TAX	.16		
NET INCOME		.75	

ELECTRONICS ONLY SALES – SERVICE & RENTAL
Volume under $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	61.6
Bank Credit Cards	14.1
Outside Financing	17.3
In-house Financing	6.9

Average discount rate for bank credit card transactions was 2.24%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	37.7
Television	6.7
Radio	9.0
Yellow Pages	29.6
Direct Mail	9.0
Other	7.9

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	2297
Office	370
Service	1312
Warehouse	854
Total	4835

The average annual sales per square foot of selling space was $259
The average annual sales per square foot of total space was $123

INVENTORY TURNS *for*

Product	3.0
Parts	1.1

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	54.5
Commission only	00.0
Salary & Commission	36.3
Other	9.0

The average annual sales per salesperson was $271,620

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	27.2
Commission only	27.2
Salary & commission	36.3
Other	9.0

MISCELLANEOUS

The average dealer has been in business for 28.3 years.

The average percent of total employees in each category was

Sales personnel	24.6
Service personnel	36.9
Office personnel	10.9
Owners/managers	20.5
Delivery Personnel	5.4
Other	1.3

Total annual sales per employee averaged $67,011.

Percentage of dealers in this category selling service contracts -- 54.5%
with an in-store computer -- 90.9%
belonging to a buying group -- 54.5%

Total average sales, compared to 1984, were down 3.8%

ELECTRONICS ONLY SALES – SERVICE – RENTAL

Volume under $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		65.74	
Product (% of sales)	77.6		
Parts (% of sales)	61.6		
Technician Wages (% of sales)	54.8		
Rental (% of sales)	36.9		
GROSS MARGIN		34.26	
TOTAL OPERATING COSTS		31.33	
Proprietors/Partners/Executive Salaries	4.86		
Office Salaries	2.44		
Sales Salaries	2.99		
Delivery Wages	.41		
Other Payroll	1.62		
Employee Benefits	.20		
Payroll Taxes (Employer's Share)	1.63		
Other Taxes & Licenses (Omit Income Tax)	.35		
Occupancy - Rent or Building Depreciation	3.51		
Occupancy - Building Maintenance	.35		
Utilities	.83		
Advertising, Promotion (net after deducting co-op)	3.35		
Delivery Truck Expense (gas, oil, maintenance)	.17		
Service Truck Expense (gas, oil, maintenance)	.57		
Other Vehicle Expense (gas, oil, maintenance)	.41		
Truck Depreciation or Lease Cost	.11		
Auto Depreciation or Lease Cost	.13		
Office Supplies	.79		
Postage, UPS, etc. Expense	.11		
Telephone	.53		
Yellow Page Advertising	.43		
Accounting & Legal	.54		
Travel	.29		
Dues, Subscriptions, Periodicals	.17		
Credit Card Processing Fees	.11		
Insurance - All Categories	1.77		
Shop Supplies	.31		
Business & Technical Training Expense	.11		
Depreciation - Other	.48		
Depreciation (Total, if not categorized)	1.28		
Miscellaneous Expense	.48		
NET OPERATING PROFIT		2.93	
OTHER INCOME		1.98	
Interest Income	.33		
Service Contract Income	.49		
Suppliers' Rebates	.07		
Other	1.09		
TOTAL INCOME		4.91	
OTHER EXPENSE		2.70	
Bad Debt Loss Less Recoveries	.06		
Interest Paid	2.07		
Service Contract Expense	.32		
Other	.25		
BEFORE TAX PROFIT		2.21	
FEDERAL & STATE INCOME TAX	.34		
NET INCOME		1.87	

ELECTRONICS SALES -- SERVICE & RENTAL
Volume over $1,000,000

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	41.4
Bank Credit Cards	18.5
Outside Financing	22.9
In-house Financing	16.9

Average discount rate for bank credit card transactions was 2.12%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	44.6
Television	17.7
Radio	11.2
Yellow Pages	16.4
Direct Mail	8.1
Other	1.8

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	6758
Office	871
Service	875
Warehouse	2390
Total	10894

The average annual sales per square foot of selling space was $398
The average annual sales per square foot of total space was $247

INVENTORY TURNS *for*

Product	3.3
Parts	2.2

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	9.0
Commission only	27.2
Salary & Commission	45.4
Other	18.1

The average annual sales per salesperson was $531,233

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	55.5
Commission only	22.2
Salary & commission	22.2
Other	00.0

MISCELLANEOUS

The average dealer has been in business for 13.8 years.

The average percent of total employees in each category was

Sales personnel	20.4
Service personnel	13.3
Office personnel	19.5
Owners/managers	9.9
Delivery Personnel	4.9
Other	31.6

Total annual sales per employee averaged $108,478.

Percentage of dealers in this category selling service contracts -- 72.7%
with an in-store computer -- 90.9%
belonging to a buying group -- 36.3%

Total average sales, compared to 1984, were up 9.5%

ELECTRONICS ONLY SALES – SERVICE – RENTAL FIRMS

Volume over $1,000,000

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		68.28	
Product (% of sales)	75.2		
Parts (% of sales)	75.2		
Technician Wages (% of sales)	63.1		
Rental (% of sales)	36.8		
GROSS MARGIN		31.72	
TOTAL OPERATING COSTS		27.84	
Proprietors/Partners/Executive Salaries	4.03		
Office Salaries	2.10		
Sales Salaries	4.98		
Delivery Wages	.65		
Other Payroll	.45		
Employee Benefits	.15		
Payroll Taxes (Employer's Share)	1.40		
Other Taxes & Licenses (Omit Income Tax)	.14		
Occupancy - Rent or Building Depreciation	2.28		
Occupancy - Building Maintenance	.40		
Utilities	.62		
Advertising, Promotion (net after deducting co-op)	4.63		
Delivery Truck Expense (gas, oil, maintenance)	.54		
Service Truck Expense (gas, oil, maintenance)	.02		
Other Vehicle Expense (gas, oil, maintenance)	.16		
Truck Depreciation or Lease Cost	.02		
Office Supplies	.42		
Postage, UPS, etc. Expense	.07		
Telephone	.56		
Yellow Page Advertising	.19		
Accounting & Legal	.41		
Travel	.15		
Dues, Subscriptions, Periodicals	.08		
Credit Card Processing Fees	.22		
Insurance - All Categories	1.06		
Shop Supplies	.24		
Business & Technical Training Expense	.21		
Depreciation - Other	.07		
Depreciation (Total, if not categorized)	1.00		
Miscellaneous Expense	.59		
NET OPERATING PROFIT		3.88	
OTHER INCOME		1.08	
Interest Income	.53		
Service Contract Income	.26		
Suppliers' Rebates	.04		
Other	.25		
TOTAL INCOME		4.96	
OTHER EXPENSE		1.86	
Bad Debt Loss Less Recoveries	.12		
Interest Paid	.92		
Service Contract Expense	.06		
Other	.76		
BEFORE TAX PROFIT		3.10	
FEDERAL & STATE INCOME TAX	.86		
NET INCOME		2.24	

ELECTRONICS SALES -- SERVICE & RENTAL
Average for All Volumes

TYPE OF SALES TRANSACTION

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving

Cash	52.7
Bank Credit Cards	16.1
Outside Financing	19.8
In-house Financing	11.3

Average discount rate for bank credit card transactions was 2.19%

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget used for

Newspaper	41.4
Television	12.4
Radio	10.1
Yellow Pages	22.7
Direct Mail	8.5
Other	4.7

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used for

Sales	4421
Office	608
Service	1104
Warehouse	1585
Total	7721

The average annual sales per square foot of selling space was $360
The average annual sales per square foot of total space was $206

INVENTORY TURNS *for*

Product	3.2
Parts	1.7

SALESPERSONS' COMPENSATION

Percent of dealers paying their salespeople

Salary only	31.8
Commission only	13.6
Salary & Commission	40.9
Other	13.6

The average annual sales per salesperso was $462,176

TECHNICIANS' COMPENSATION

Percent of dealers paying their technicians

Salary only	40.0
Commission only	25.0
Salary & commission	30.0
Other	5.0

MISCELLANEOUS

The average dealer has been in business for 21.0 years.

The average percent of total employees in each category was

Sales personnel	21.3
Service personnel	18.8
Office personnel	17.5
Owners/managers	12.4
Delivery Personnel	5.0
Other	24.5

Total annual sales per employee averaged $98,816.

Percentage of dealers in this category selling service contracts -- 63.6%
with an in-store computer -- 90.9%
belonging to a buying group -- 45.4%

Total average sales, compared to 1984, were up 5.9%

ELECTRONICS SALES – SERVICE & RENTAL

Average for all volumes

			Yours
NET SALES		100.00	
Product Sales	100		
Service Labor	100		
Service Parts	100		
Rental	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		67.85	
Product (% of sales)	75.5		
Parts (% of sales)	66.4		
Technician Wages (% of sales)	63.0		
Rental (% of sales)	36.8		
GROSS MARGIN		32.15	
TOTAL OPERATING COSTS		28.42	
Proprietors/Partners/Executive Salaries	4.17		
Office Salaries	2.16		
Sales Salaries	4.64		
Delivery Wages	.61		
Other Payroll	.65		
Employee Benefits	.16		
Payroll Taxes (Employer's Share)	1.44		
Other Taxes & Licenses (Omit Income Tax)	.17		
Occupancy - Rent or Building Depreciation	2.48		
Occupancy - Building Maintenance	.39		
Utilities	.66		
Advertising, Promotion (net after deducting co-op)	4.42		
Delivery Truck Expense (gas, oil, maintenance)	.47		
Service Truck Expense (gas, oil, maintenance)	.11		
Other Vehicle Expense (gas, oil, maintenance)	.20		
Truck Depreciation or Lease Cost	.04		
Auto Depreciation or Lease Cost	.02		
Office Supplies	.48		
Postage, UPS, etc. Expense	.08		
Telephone	.55		
Yellow Page Advertising	.23		
Accounting & Legal	.43		
Travel	.18		
Dues, Subscriptions, Periodicals	.09		
Credit Card Processing Fees	.20		
Insurance - All Categories	1.18		
Shop Supplies	.25		
Business & Technical Training Expense	.20		
Depreciation - Other	.14		
Depreciation (Total, if not categorized)	1.05		
Miscellaneous Expense	.57		
NET OPERATING PROFIT		3.73	
OTHER INCOME		1.24	
Interest Income	.50		
Service Contract Income	.30		
Suppliers' Rebates	.05		
Other	.39		
TOTAL INCOME		4.97	
OTHER EXPENSE		2.00	
Bad Debt Loss Less Recoveries	.11		
Interest Paid	1.11		
Service Contract Expense	.11		
Other	.67		
BEFORE TAX PROFIT		2.97	
FEDERAL & STATE INCOME TAX	.77		
NET INCOME		2.20	

SERVICE ONLY FIRMS – APPLIANCE – ELECTRONICS

Average for all volumes

Participants in this year's survey reported little growth. Sales increased only 3% over 1984. This small increase in sales combined with costs higher than 3% to hurt the bottom line. Parts inventories showed three turns. Although the average turns were slightly better in 1985 than 1984, there is much room for improvement.

Participants in the 1985 survey split evenly between the electronics and appliances service businesses. Several surveyed electronic shops were carry-in only, which affects the relationship of service truck expense to total sales.

We have increased the number of expense line items to make comparisons easier. Additionally, we have segregated "Yellow Pages advertising" costs from "other advertising and promotion" costs. One of the major cost increases is in the insurance area, which on the average increased over 20%.

Individual CODB reports indicate a need for closer analysis of the value of Yellow Pages advertising. Eighty-percent of the reporting firms use Yellow Pages advertising almost exclusively as their advertising medium, yet we know that other methods of advertising can be effective.

Major concerns for 1986 indicated:

1. Increased competition from manufacturers' captive service companies.
2. Shortage of qualified technicians.
3. Length of time manufacturers take to pay for in-warranty repairs.
4. Inadequate reimbursement of in-warranty repair rates from some manufacturers.

The very modest increase in sales indicated by participants shows a need for improved planning. This planning should be in the areas of sales (both labor and parts) and of course, in all of the expense areas. Taking a part of each day to review your operation and to make changes for improvement will most definitely have a positive effect on your bottom line.

SERVICE ONLY FIRMS – APPLIANCE – ELECTRONICS

Average for all volumes

			Yours
NET SALES		100.00	
Service Labor	100		
Service Parts	100		
COST OF ALL GOODS SOLD & TECHNICIAN WAGES		47.4	
Parts (% of sales)	58.0		
Technician Wages (% of sales)	38.4		
GROSS MARGIN		52.6	
TOTAL OPERATING COSTS		51.2	
Proprietors/Partners/Executive Salaries	8.1		
Office Salaries	9.8		
Sales Salaries	---		
Delivery Wages	---		
Other Payroll	3.6		
Employee Benefits	.8		
Payroll Taxes (Employer's Share)	4.3		
Other Taxes & Licenses (Omit Income Tax)	.2		
Occupancy - Rent or Building Depreciation	2.7		
Occupancy - Building Maintenance	.6		
Utilities	.7		
Advertising, Promotion (net after deducting co-op)	.5		
Delivery Truck Expense (gas, oil, maintenance)	.5		
Service Truck Expense (gas, oil, maintenance)	2.2		
Other Vehicle Expense (gas, oil, maintenance)	.1		
Truck Depreciation or Lease Cost	1.4		
Auto Depreciation or Lease Cost	.1		
Office Supplies	.7		
Postage, UPS, etc. Expense	.2		
Telephone	1.0		
Yellow Page Advertising	4.2		
Accounting & Legal	.6		
Travel	.3		
Dues, Subscriptions, Periodicals	.3		
Credit Card Processing Fees	.2		
Insurance - All Categories	5.0		
Shop Supplies	.6		
Business & Technical Training Expense	.2		
Depreciation - Other	1.6		
Depreciation (Total, if not categorized)	---		
Miscellaneous Expense	.7		
NET OPERATING PROFIT		1.4	
OTHER INCOME		1.4	
Interest Income	.3		
Service Contract Income	.7		
Supplier's Rebates	---		
Other	.4		
TOTAL INCOME		2.8	
OTHER EXPENSE		.8	
Bad Debt Loss Less Recoveries	.1		
Interest Paid	.4		
Service Contract Expense	---		
Other	.3		
BEFORE TAX PROFIT		2.0	
FEDERAL & STATE INCOME TAX	.5		
NET INCOME		1.5	

NARDA/NASD Annual
Costs-of-doing-business Survey

(Covering 1985 or fiscal year closest to that date)

NOTE: Your cooperation, as a NARDA/NASD member, in completing and returning this form is ESSENTIAL if your association is to produce meaningful national statistics against which you can measure the performance of your business.

1. Our business can best be described as (check ONE only)
   ____ Products Sales Only ____ Product Service Only ____ Product Sales & Service
   ____ Rental Only X Product Sales, Service & Rental
2. Our principal products sold or serviced (if SERVICE ONLY) include (IF more than one category, give percent of volume for each category.)
   ____ Appliances 67 Video Hardware ____ Audio 33 Video Software ____ Television ____ Furniture
   ____ Telephones ____ Computers (Hardware & Software) ____ Other (Please Specify) ____
3. We employ a total of 185 employees. Of these 20 are Salespeople ____ Service Technicians
   20 Office Workers 21 Owners & Managers 2 Delivery People and 122 STORE CLERKS
4. The State we are located in is NEBRASKA AND IOWA
5. We have been in business for 3 years.
6. We have 15 Outlets
7. Total number of square feet (all outlets) 54,800
   Sales/display area 44,000 sq. ft. Service area ____ sq. ft.
   Office area 7200 sq. ft. Warehouse area 3600 sq. ft. (Double Bay)
8. We have 7 vehicles
   Delivery trucks 2 Service trucks ____ Cars (in business name) 5
9. We pay our salespeople
   ____ Salary Only ____ Commission Only
   X Salary plus commission ____ Other (Please specify) ____
10. We pay our service technicians
    ____ Salary only ____ Commission only
    ____ Salary plus commission ____ Other (Please specify) ____
11. Please provide the percent of total volume that you do in the following transactions
    Cash 75 % Outside financing 10 %
    Credit card charges 15 % In house financing — %
12. My discount rate for credit card sales is 3 : 3 %
13. Please provide the percentage of your total advertising money spent in each category
    Newspaper 25 % "Yellow Pages" 1 %
    Television 50 % Direct Mail 19 %
    Radio 5 % Other ____ % Please specify ____
14. Do you sell any kind of extended Service Agreements? X Yes ____ No
15. Do you have an in-store computer? X Yes ____ No
16. Are you a member of a buying group? X Yes ____ No

The biggest business problem we face in 1986 is OPERATING EXTENSIVE CONTROL - WE ARE IN AN ECONOMICALLY DEPRESSED AREA WHERE SALES DECLINE LACKLUSTRY ON AGRICULTURE AND PAPER PROFITS. WHEN INCREASED IN VOLUME WE'LL COMPARE EXPENSES CONTROL BECAUSE EVEN MORE IMPORTANT.

NARDA/NASD can be more helpful to your business, if it would KEEP UP THE GOOD WORK!

The biggest business problem we face in 1986 is Maintaining our net profit margin by controlling expenditures and maintaining sales volume in a southwest market that could be economically affected by the downturn of both the building and the oil and gas industries. Our local market is heavily affected by those industries and we must find ways to replace sales volume that we will lose in these markets.

NARDA/NASD can be more helpful to your business, if it would Make available the trends and developement of other dealers within markets such as ours. Having consultants such as Zeive Landers available to us is a big help and we feel this area of advice and exchanging ideology needs to be further developed.

Statements of Income

Years Ended July 31, 1985 and 1984

	1985 Amount	1985 Per Cent of Net Sales	1984 Amount	1984 Per Cent of Net Sales
NET SALES				
Gross sales	$ 1,768,877.53	100.00 %	$ 1,435,958.12	100.01 %
Less returns, allowances and discounts	31.35	.00	130.00	.01
Net sales	$ 1,768,846.18	100.00 %	$ 1,435,828.12	100.00 %
COST OF GOODS SOLD	1,231,680.55	69.63	1,051,506.64	73.23
Gross profit	$ 537,165.63	30.37 %	$ 384,321.48	26.77 %
OTHER GROSS INCOME				
Discounts and supplier rebates	40,554.22	2.29	34,093.97	2.37
Gross income	$ 577,719.85	32.66 %	$ 418,415.45	29.14 %
EXPENSES				
Operating	$ 130,794.08	7.39 %	$ 87,101.02	6.07 %
Selling and administrative	353,765.08	20.00	261,208.60	18.19
	$ 484,554.16	27.39 %	$ 348,309.62	24.26 %
Income from operations	$ 93,165.69	5.27 %	$ 70,105.83	4.88 %
OTHER INCOME				
Interest	$ 3,455.68	.19 %	$ 1,682.37	.12 %
Miscellaneous	699.50	.04	1,879.21	.13
	$ 4,155.18	.23 %	$ 3,561.04	.25 %
	$ 97,320.87	5.50 %	$ 73,667.47	5.13 %
OTHER EXPENSE				
Interest	$ 11,632.86	.66 %	$ 12,288.22	.86 %
Miscellaneous	404.99	.02	-	-
	$ 12,037.85	.68 %	$ 12,288.22	.86 %
Income before income taxes	$ 85,283.02	4.82 %	$ 61,379.25	4.27 %
PROVISION FOR INCOME TAXES (Note E)	20,623.97	1.16	12,053.38	.84
NET INCOME	$ 64,659.05	3.66 %	$ 49,325.87	3.43 %

SEE NOTES TO FINANCIAL STATEMENTS

the
NARDA/NASD
costs of doing business survey

is one of over fifty services available to members

Ad Idea Services
Ad Planner Book
Advertising Seminars
Appliance Warranty Forms
Audio Cassettes
Bank Credit Card Program
Bulletin Board
Business Library
Business Statement Analysis
Computerized Bookkeeping
Convention
Cost-Of-Doing-Business Survey
Credit Union
Dental Insurance
Department Gross Margin Analysis
Electronic Mail
Electronic Warranty Forms
Executive Personality
Development Institute
Financial Statement Analysis
Financial Statement Preparation
Freight Bill Auditing
Group Insurance Programs
Institutes of Management
Inventory Control Program
Life Insurance
Management Aids
Management Consultation
Management Seminars
Merchandising & Promotion Aids
National Assn. of Service Dealers
NARDA News
Parts Inventory Control Program
Pre-employment Honesty Tests
Record-keeping, Computerized
Record-keeping Seminars
Rental Merchandising Guide
Retail Data System
Sales Training Manual
Sales Training Seminars
Salesman Productivity Reports
Schools of Service Management
Service & Delivery Aids
Service Consultation
Service Data System
Service Management Seminars
Supplier Relations
TV Tube Replacement Program
Technician Productivity Studies
Trade-in Wall Chart
Train the Trainer Sales Seminars
Unemployment Insurance
Tax Control
Video Cassettes Sales Training
Warranty Claim Forms

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To receive your copy of the
NARDA/NASD 1986
Costs of Doing Business Survey
this questionnaire and the enclosed free report request form
must be completed and returned in the special postage paid
envelope provided before June 22, 1987

NATIONAL ASSOCIATION RETAIL DEALERS OF AMERICA

NASD

NATIONAL ASSOCIATION OF SERVICE DEALERS

costs of doing business survey

COVERING THE YEAR

1986

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NARDA
NATIONAL ASSOCIATION
RETAIL DEALERS
OF AMERICA

NASD
NATIONAL ASSOCIATION
OF SERVICE DEALERS

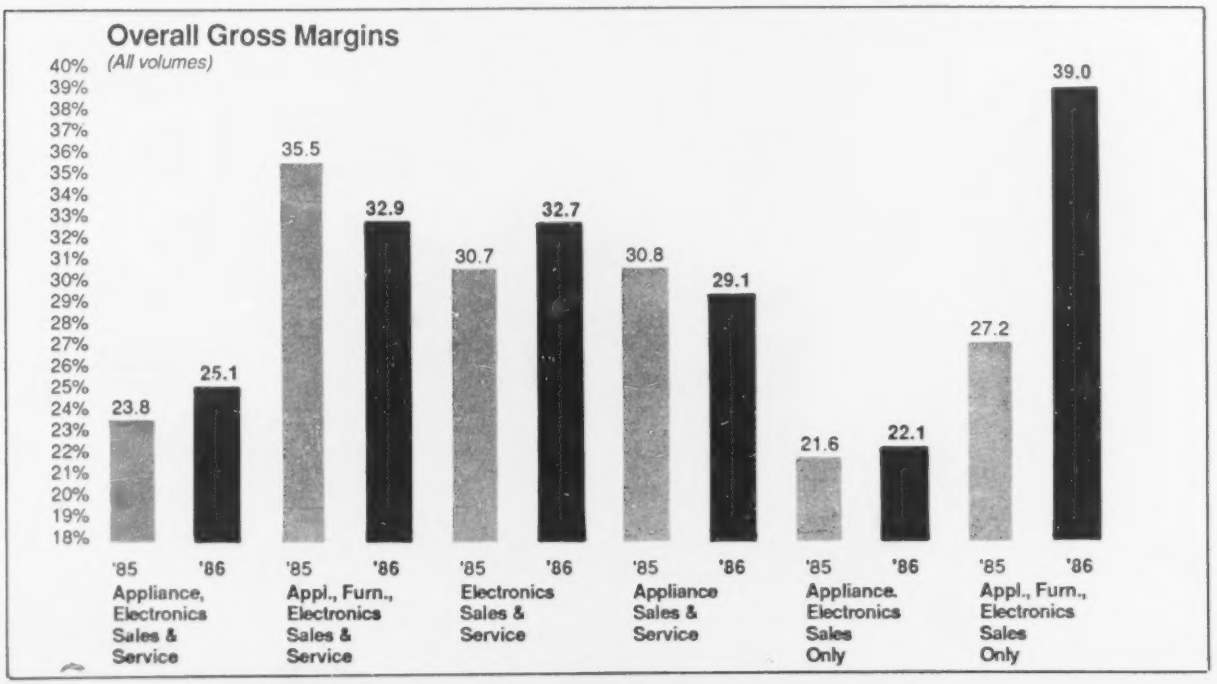
ANNUAL COSTS OF DOING BUSINESS SURVEY

This, the fourty-sixth annual Costs of Doing Business Survey published by NARDA, covers the year 1986.

It includes a number of new features which will make the report easier to read and more useful to retail dealers. The charts introduced last year have been expanded to include more subjects as well as comparisons with the previous year's report.

We have included balance sheet ratios with explanations of how to intrepret them, have reported the exact spread of bank card discounts which members pay, added an income statement line showing gross margins on sales of service contracts and have reported whether or not members fund their own service contract programs or buy them from vendors.

As a general overview, reports in all categories reflect a struggle to increase sales fast enough to stay ahead of rising operating costs. There



were moderate to very good sales increases in most categories, some very good increases in margins, but mixed increases and decreases in net income because total expenses rose quickly to eat up margins.

Service contract sales added significantly to gross margins in many categories. In observing individual reports, it became obvious that retailers would get a great deal of help in solving their rising cost problems by increasing service contract sales to 7 to 9 percent of total sales. A significant minority of retailers do this well or better. It was also obvious that in-house credit and the resulting interest income was used very creatively by some members as a below the line profit center.

Turning to the balance sheet, dealers reporting generally do not leave themselves in a very flexible position should there be a drop in sales which lasts for more than a month. This is reflected in the number of categories which report inventory turns of less than four per year and quick asset ratios of less than .50 to 1 or less. These two together indicate that slow-moving inventory makes up too large a portion of working capital. If sales drop, or even stay flat for an extended period, the business will quickly have major cash flow problems. This insolvency danger signal can be corrected or avoided with

Total Annual Sales

(All volumes)

	1985 *compared to* 1984	1986 *compared to* 1985
Appliance, Electronics Sales & Service	13.4% increase	**6.8% increase**
Appl., Furn., Electronics Sales & Service	3.5% increaese	**0.6% increase**
Electronics Sales & Service	4.6% increase	**15.7% increase**
Appliance Sales & Service	11.0% increase	**3.6% increase**
Appliance, Electronics Sales Only	13.8% increase	**14.1% increase**
Appl., Furn., Electronics Sales Only	3.6% increase	**12.9% increase**

Gross Margin Breakdown

(All volumes)

	Merchandise	*Service Labor*	*Parts Sales*	*Service Contracts*
Appliance, Electronics Sales & Service	**24.3%**	**41.1%**	**35.4%**	**73.0%**
Appl., Furn., Electronics Sales & Service	**33.4%**	**26.0%**	**37.3%**	**53.7%**
Electronics Sales & Service	**31.3%**	**41.0%**	**43.9%**	**71.0%**
Appliance Sales & Service	**28.3%**	**51.9%**	**34.6%**	**82.1%**
Appliance, Electronics Sales Only	**21.4%**	---	---	**64.0%**
Appl., Furn., Electronics Sales Only	**39.6%**	---	---	**91.3%**

tough-minded inventory control procedures.

To the dealer using this report to compare his numbers with industry averages, keep in mind that the averages in this report are based on a range of dealerships from the most profitable to the least profitable and those in between. The averages are not industry standards or goals. They are indicators of how an "average" dealership performs.

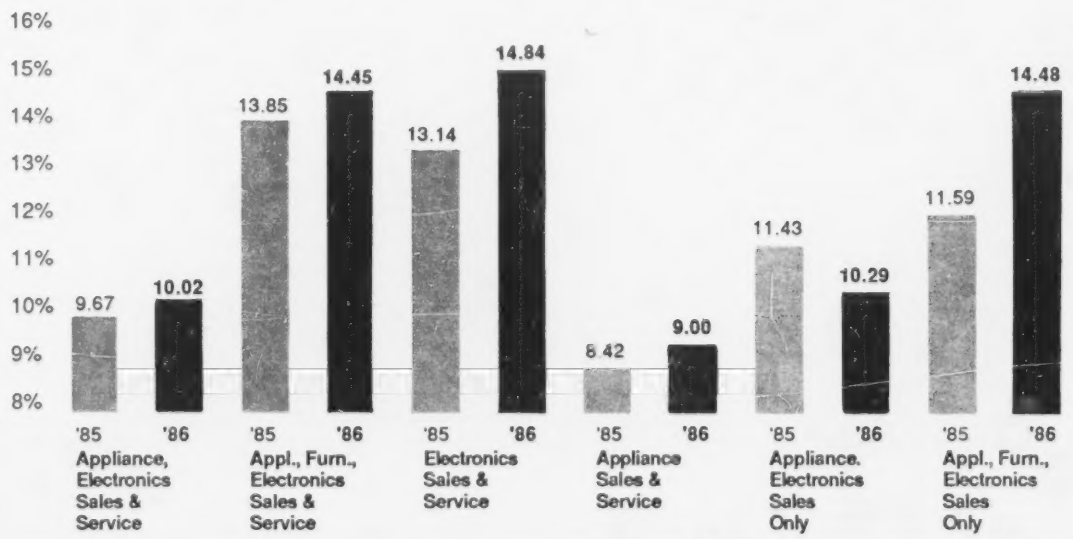
If your business is substantially above or below average in any area, you should re-examine your goals, management philosophy, and results to make sure that your company is performing according to *your* standards and to determine whether or not you can improve performance.

All volumes	Inventory Turns On Merchandise '85	Inventory Turns On Merchandise '86	Inventory Turns On Parts '85	Inventory Turns On Parts '86	Net Profit Before Taxes '85	Net Profit Before Taxes '86	Net Return On Investment '86
Appl./Electronics Sales & Service Firms	2.5	3.8	1.1	1.0	3.82%	1.74%	22.0%
Appliance/Electronics Sales Only	3.4	5.9	—	—	2.08%	2.15%	33.9%
Appliance Sales & Service	4.2	3.9	1.9	2.8	1.97%	2.70%	21.0%
Electronics Sales & Service	3.2	3.6	1.8	1.1	2.10%	0.94%	10.1%
Appl./Electronics/Furniture Sales & Service	3.8	2.8	1.2	1.1	1.81%	3.27%	11.8%
Appliance/Electronics/Furniture Sales Only	3.4	6.3	—	—	4.58%	8.54%	40.4%

Major Expenses

(All volume levels)

Total spent on Advertising, Sales Compensation and Occupancy



APPLIANCE/ELECTRONICS SALES & SERVICE

Volume under $1 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 4.67%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	65.2
Bank Credit Cards	7.4
Outside Financing	12.4
In-house Financing	14.8

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	2.50% to 2.99%	Over 3%
for handling:					
Visa	6.6%	46.6%	33.3%	13.3%	00.0%
MasterCard	00.0%	46.6%	26.6%	13.3%	13.2%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	18.3
Service Technicians	24.6
Office Personnel	20.8
Owners/managers	18.3
Delivery Personnel	14.5
Other	3.1

Total annual sales per employee averaged $ 83,795

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	42.8
Commission Only	00.0
Salary & Commission	57.1
Other	00.0

The average annual sales per salesperson was $ 456,542

Percent of dealers paying their technicians:

Salary Only	36.8
Commission Only	15.7
Salary & Commission	42.1
Other	5.2

The average hourly technician wage was $ 9.14

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	49.7
Television	6.8
Radio	20.3
Yellow Pages	14.4
Direct Mail	3.8
Other	4.7

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2889
Office	494
Service	1050
Warehouse	2393

Total average square feet per location was: 6788

The average number of locations was: 1.1

The average annual sales per square foot of total space was $ 86

The average annual sales per square foot of selling space was $ 203

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 68.4%

Of those dealers selling service contracts, 26.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 40.0%

Percentage of dealers in this category using an outside data processing service was 25.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 50.0%

RATIOS

Annual inventory turns on merchandise averaged 3.2

Annual inventory turns on parts averaged 1.8

Average current ratio was 1.86 to 1

Average quick assets ratio was .67 to 1

Average net return on investment was 18.5%

APPLIANCE - ELECTRONICS SALES & SERVICE
Volume under $1 million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		72.40	
Cost of Merchandise	72.73		
Cost of Labor	68.07		
Cost of Parts	69.99		
Cost of Service Contract Sales	45.10		
GROSS MARGIN		27.60	
TOTAL OPERATING COSTS		25.15	
Owner and Manager Salaries	3.40		
Office Salaries	2.74		
Sales Salaries	2.10		
Delivery Wages	1.56		
Other Payroll	.87		
Employee Benefits	.19		
Payroll Taxes	1.19		
Insurance - Group Life & Health	.75		
Insurance - Property & Liability	.99		
Rent or Building Depreciation	1.74		
Utilities	.76		
Telephone	.53		
Yellow Page Advertising	.34		
Other Advertising & Promotion	2.90		
Delivery Truck Expense	.50		
Service Truck Expense	.51		
Automobile Expense	.09		
Depreciation	1.46		
Licenses & Taxes	.37		
Supplies	.59		
Professional Fees	.25		
Travel & Training Expense	.16		
Miscellaneous Expense	1.16		
NET OPERATING PROFIT		2.45	
OTHER INCOME		2.24	
Interest Income	.76		
Supplier Rebates	.36		
Other	1.12		
TOTAL INCOME		4.69	
OTHER EXPENSE		2.43	
Interest Paid	1.96		
Other	.47		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.26	
TOTAL FEDERAL & STATE INCOME TAXES	.25		
NET INCOME		2.01	

APPLIANCE/ELECTRONICS SALES & SERVICE

Volume $1 - $3 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 3.43%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	59.3
Bank Credit Cards	10.6
Outside Financing	18.6
In-house Financing	11.4

Percent of dealers paying a discount rate of for handling:

	Under 1.20%	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	Over 3.50%
Visa	3.8%	7.6%	46.1%	34.6%	7.6%
MasterCard	4.0%	8.0%	44.0%	36.0%	8.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	21.7
Service Technicians	22.1
Office Personnel	17.7
Owners/managers	15.7
Delivery Personnel	15.9
Other	4.9

Total annual sales per employee averaged $ 117,755

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	27.2
Commission Only	18.1
Salary & Commission	51.5
Other	3.0

The average annual sales per salesperson was $ 542,644

Percent of dealers paying their technicians:

Salary Only	48.4
Commission Only	18.1
Salary & Commission	18.1
Other	15.1

The average hourly technician wage was $ 9.56

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	60.6
Television	7.1
Radio	16.0
Yellow Pages	8.8
Direct Mail	3.6
Other	3.6

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	4979
Office	657
Service	1412
Warehouse	4196

Total average square feet per location was: 11,246

The average number of locations was: 1.2

The average annual sales per square foot of total space was $ 114

The average annual sales per square foot of selling space was $ 258

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 75.7%

Of those dealers selling service contracts, 24.1% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 66.6%

Percentage of dealers in this category using an outside data processing service was 36.3%

Percentage of dealers in this category belonging to a buying group or cooperative was 81.8%

RATIOS

Annual inventory turns on merchandise averaged 3.3

Annual inventory turns on parts averaged 1.5

Average current ratio was 1.68 to 1

Average quick assets ratio was .59 to 1

Average net return on investment was 16.2%

APPLIANCE - ELECTRONICS SALES & SERVICE
$1 to $3 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		74.48	
Cost of Merchandise	76.17		
Cost of Labor	59.86		
Cost of Parts	61.78		
Cost of Service Contract Sales	35.95		
GROSS MARGIN		25.52	
TOTAL OPERATING COSTS		24.79	
Owner and Manager Salaries	4.40		
Office Salaries	1.75		
Sales Salaries	3.52		
Delivery Wages	1.51		
Other Payroll	.65		
Employee Benefits	.36		
Payroll Taxes	1.33		
Insurance - Group Life & Health	.55		
Insurance - Property & Liability	.83		
Rent or Building Depreciation	1.96		
Utilities	.60		
Telephone	.31		
Yellow Page Advertising	.26		
Other Advertising & Promotion	2.39		
Delivery Truck Expense	.28		
Service Truck Expense	.35		
Automobile Expense	.13		
Depreciation	1.00		
Licenses & Taxes	.42		
Supplies	.59		
Professional Fees	.30		
Travel & Training Expense	.28		
Miscellaneous Expense	1.02		
NET OPERATING PROFIT		.73	
OTHER INCOME		2.64	
Interest Income	.61		
Supplier Rebates	.97		
Other	1.06		
TOTAL INCOME		3.37	
OTHER EXPENSE		1.56	
Interest Paid	.95		
Other	.61		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.81	
TOTAL FEDERAL & STATE INCOME TAXES	.39		
NET INCOME		1.42	

APPLIANCE/ELECTRONICS SALES & SERVICE

Volume $3 - 5 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 3.81%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	64.3
Bank Credit Cards	14.6
Outside Financing	20.7
In-house Financing	.2

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%
for handling:		
Visa	28.5%	71.4%
MasterCard	28.5%	71.4%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	22.0
Service Technicians	16.3
Office Personnel	19.7
Owners/managers	13.3
Delivery Personnel	13.9
Other	7.8

Total annual sales per employee averaged $ 143,358

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	50.0
Salary & Commission	50.0
Other	00.0

The average annual sales per salesperson was $ 641,466

Percent of dealers paying their technicians:

Salary Only	60.0
Commission Only	10.0
Salary & Commission	30.0
Other	00.0

The average hourly technician wage was $ 9.43

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	58.1
Television	3.0
Radio	23.5
Yellow Pages	8.8
Direct Mail	3.3
Other	3.1

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	6511
Office	592
Service	1063
Warehouse	4010

Total average square feet per location was: 12,177

The average number of locations was: 2.1

The average annual sales per square foot of total space was $ 149

The average annual sales per square foot of selling space was $ 279

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 58.3% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 90.0%

Percentage of dealers in this category using an outside data processing service was 20.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 100%

RATIOS

Annual inventory turns on merchandise averaged 2.5

Annual inventory turns on parts averaged 1.3

Average current ratio was 1.27 to 1

Average quick assets ratio was .25 to 1

Average net return on investment was 27.8%

APPLIANCE - ELECTRONICS SALES & SERVICE
Volume $3 - 5 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		74.58	
Cost of Merchandise	73.99		
Cost of Labor	56.22		
Cost of Parts	63.43		
Cost of Service Contract Sales	37.04		
GROSS MARGIN		25.42	
TOTAL OPERATING COSTS		24.34	
Owner and Manager Salaries	2.88		
Office Salaries	2.08		
Sales Salaries	4.16		
Delivery Wages	1.02		
Other Payroll	1.05		
Employee Benefits	.21		
Payroll Taxes	1.21		
Insurance - Group Life & Health	.55		
Insurance - Property & Liability	.58		
Rent or Building Depreciation	1.97		
Utilities	.60		
Telephone	.47		
Yellow Page Advertising	.22		
Other Advertising & Promotion	2.40		
Delivery Truck Expense	.34		
Service Truck Expense	.31		
Automobile Expense	.12		
Depreciation	1.28		
Licenses & Taxes	.28		
Supplies	.57		
Professional Fees	.19		
Travel & Training Expense	.25		
Miscellaneous Expense	1.60		
NET OPERATING PROFIT		1.08	
OTHER INCOME		1.85	
Interest Income	.10		
Supplier Rebates	.89		
Other	.86		
TOTAL INCOME		2.93	
OTHER EXPENSE		1.45	
Interest Paid	1.04		
Other	.41		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.48	
TOTAL FEDERAL & STATE INCOME TAXES	.36		
NET INCOME		1.12	

APPLIANCE/ELECTRONICS SALES & SERVICE

Volume Over $5 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 9.54%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	58.2
Bank Credit Cards	17.2
Outside Financing	18.2
In-house Financing	6.1

Percent of dealers paying a discount rate of	Under 1.20%	1.20% to 1.49%	1.50% to 1.99%
for handling:			
Visa	18.1%	9.00%	63.6%
MasterCard	18.1%	9.00%	63.6%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	32.3
Service Technicians	15.7
Office Personnel	18.0
Owners/managers	10.1
Delivery Personnel	15.2
Other	8.6

Total annual sales per employee averaged $ 126,069

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	53.8
Salary & Commission	46.1
Other	00.0

The average annual sales per salesperson was $ 389,707

Percent of dealers paying their technicians:

Salary Only	15.3
Commission Only	38.4
Salary & Commission	23.0
Other	23.0

The average hourly technician wage was $ 9.93

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	59.2
Television	19.3
Radio	12.2
Yellow Pages	4.6
Direct Mail	2.6
Other	2.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet per location used for:

Sales & Display	8836
Office	1148
Service	1610
Warehouse	6088

Total average square feet per location was: 18,335

The average number of locations was: 3.5

The average annual sales per square foot of total space was $ 158

The average annual sales per square foot of selling space was $ 329

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 92.3%

Of those dealers selling service contracts, 66.6%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 76.9%

Percentage of dealers in this category using an outside data processing service was 23.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 92.3%

RATIOS

Annual inventory turns on merchandise averaged 4.5

Annual inventory turns on parts averaged .64

Average current ratio was 1.22 to 1

Average quick assets ratio was .29 to 1

Average net return on investment was 25.1%

APPLIANCE - ELECTRONICS SALES & SERVICE
Volume over $5 million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		75.40	
Cost of Merchandise	76.11		
Cost of Labor	57.22		
Cost of Parts	67.68		
Cost of Service Contract Sales	21.89		
GROSS MARGIN		24.60	
TOTAL OPERATING COSTS		24.99	
Owner and Manager Salaries	3.18		
Office Salaries	2.16		
Sales Salaries	5.01		
Delivery Wages	1.09		
Other Payroll	.56		
Employee Benefits	.66		
Payroll Taxes	1.12		
Insurance - Group Life & Health	.42		
Insurance - Property & Liability	.62		
Rent or Building Depreciation	1.80		
Utilities	.40		
Telephone	.37		
Yellow Page Advertising	.08		
Other Advertising & Promotion	3.68		
Delivery Truck Expense	.29		
Service Truck Expense	.17		
Automobile Expense	.05		
Depreciation	.81		
Licenses & Taxes	.28		
Supplies	.54		
Professional Fees	.21		
Travel & Training Expense	.13		
Miscellaneous Expense	1.36		
NET OPERATING PROFIT		-.39	
OTHER INCOME		5.23	
Interest Income	.28		
Supplier Rebates	1.01		
Other	3.94		
TOTAL INCOME		4.84	
OTHER EXPENSE		3.10	
Interest Paid	.78		
Other	2.32		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.74	
TOTAL FEDERAL & STATE INCOME TAXES	.66		
NET INCOME		1.08	

APPLIANCE/ELECTRONICS SALES & SERVICE

Average all Volumes

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 6.78%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	61.4
Bank Credit Cards	11.3
Outside Financing	17.1
In-house Financing	10.0

Percent of dealers paying a discount rate of

	Under 1.20%	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	2.50% to 2.99%	Over 3.00%
for handling:						
Visa	5.0%	10.1%	52.5%	23.7%	3.3%	4.9%
MC	5.1%	8.6%	51.7%	22.4%	3.4%	8.5%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	26.6
Service Technicians	18.0
Office Personnel	18.3
Owners/managers	12.4
Delivery Personnel	15.0
Other	7.1

Total annual sales per employee averaged $ 120,867

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	23.3
Commission Only	23.3
Salary & Commission	51.9
Other	1.2

The average annual sales per salesperson was $ 454,914

Percent of dealers paying their technicians:

Salary Only	41.3
Commission Only	20.0
Salary & Commission	26.6
Other	12.0

The average hourly technician wage was $ 9.64

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	57.2
Television	8.8
Radio	17.2
Yellow Pages	9.5
Direct Mail	3.4
Other	3.5

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	6310
Office	801
Service	1369
Warehouse	4564

Total average square feet per location was: 13,279

The average number of locations was: 1.7

The average annual sales per square foot of total space was $ 294

The average annual sales per square foot of selling space was $ 139

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 80.0%

Of those dealers selling service contracts, 38.2%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 64.4%

Percentage of dealers in this category using an outside data processing service was 28.9%

Percentage of dealers in this category belonging to a buying group or cooperative was 77.6%

RATIOS

Annual inventory turns on merchandise averaged 3.8

Annual inventory turns on parts averaged 1.0

Average current ratio was 1.36 to 1

Average quick assets ratio was .37 to 1

Average net return on investment was 22.0%

APPLIANCE - ELECTRONICS SALES & SERVICE
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		74.89	
Cost of Merchandise	75.61		
Cost of Labor	58.89		
Cost of Parts	64.53		
Cost of Service Contract Sales	26.92		
GROSS MARGIN		25.11	
TOTAL OPERATING COSTS		24.85	
Owner and Manager Salaries	3.42		
Office Salaries	2.09		
Sales Salaries	4.37		
Delivery Wages	1.20		
Other Payroll	.68		
Employee Benefits	.49		
Payroll Taxes	1.19		
Insurance - Group Life & Health	.49		
Insurance - Property & Liability	.68		
Rent or Building Depreciation	1.86		
Utilities	.50		
Telephone	.38		
Yellow Page Advertising	.16		
Other Advertising & Promotion	3.13		
Delivery Truck Expense	.31		
Service Truck Expense	.25		
Automobile Expense	.08		
Depreciation	.97		
Licenses & Taxes	.32		
Supplies	.56		
Professional Fees	.23		
Travel & Training Expense	.18		
Miscellaneous Expense	1.31		
NET OPERATING PROFIT		.26	
OTHER INCOME		3.92	
Interest Income	.35		
Supplier Rebates	.95		
Other	2.62		
TOTAL INCOME		4.18	
OTHER EXPENSE		2.44	
Interest Paid	.93		
Other	1.51		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.74	
TOTAL FEDERAL & STATE INCOME TAXES	.53		
NET INCOME		1.21	

APPLIANCE/ELECTRONICS SALES

Volume under $3 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 3.01%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	54.9
Bank Credit Cards	13.2
Outside Financing	24.6
In-house Financing	7.1

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	2.50% to 2.99%
for handling:				
Visa	11.1%	55.5%	22.2%	11.1%
MasterCard	00.0%	66.6%	22.2%	11.1%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	32.5
Office Personnel	25.0
Owners/managers	18.3
Delivery Personnel	18.3
Other	5.8

Total annual sales per employee averaged $ 200,734

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	7.6
Commission Only	46.1
Salary & Commission	46.1
Other	00.0

The average annual sales per salesperson was $ 617,644

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	64.5
Television	11.4
Radio	6.5
Yellow Pages	3.5
Direct Mail	13.9

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	5704
Office	545
Warehouse	4018

Total average square feet per location was: 10,577

Average number of locations was: 1.4

The average annual sales per square foot of total space was $ 127

The average annual sales per square foot of selling space was $ 236

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 84.6%

Of those dealers selling service contracts, 16.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 38.4%

Percentage of dealers in this category using an outside data processing service was 23.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 69.2%

RATIOS

Annual inventory turns on merchandise averaged 6.6

Average current ratio was 1.6 to 1

Average quick assets ratio was .67 to 1

Average net return on investment was 18.9%

APPLIANCE - ELECTRONICS SALES ONLY
Volume Under $3 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		77.64	
Cost of Merchandise	78.88		
Cost of Service Contract Sales	42.26		
GROSS MARGIN		22.36	
TOTAL OPERATING COSTS		22.43	
Owner and Manager Salaries	2.89		
Office Salaries	1.62		
Sales Salaries	4.12		
Delivery Wages	1.41		
Other Payroll	.25		
Employee Benefits	.50		
Payroll Taxes	.76		
Insurance - Group Life & Health	.37		
Insurance - Property & Liability	.60		
Rent or Building Depreciation	2.35		
Utilities	.51		
Telephone	.30		
Yellow Page Advertising	.12		
Other Advertising & Promotion	2.41		
Delivery Truck Expense	.39		
Automobile Expense	.11		
Depreciation	.92		
Licenses & Taxes	.40		
Supplies	.48		
Professional Fees	.33		
Travel & Training Expense	.19		
Miscellaneous Expense	1.40		
NET OPERATING PROFIT		-.07	
OTHER INCOME		3.63	
Interest Income	1.44		
Supplier Rebates	1.44		
Other	.75		
TOTAL INCOME		3.56	
OTHER EXPENSE		1.07	
Interest Paid	.88		
Other	.19		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.49	
TOTAL FEDERAL & STATE INCOME TAXES	.83		
NET INCOME		1.66	

APPLIANCE/ELECTRONICS SALES ONLY

Volume Over $3 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 19.15%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	58.5
Bank Credit Cards	22.0
Outside Financing	19.0
In-house Financing	.4

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%
for handling:			
Visa	12.5%	62.5%	25.0%
MasterCard	12.5%	62.5%	25.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	39.7
Office Personnel	17.9
Owners/managers	11.4
Delivery Personnel	18.5
Other	12.5

Total annual sales per employee averaged $ 233,956

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	90.0
Salary & Commission	10.0
Other	00.0

The average annual sales per salesperson was $ 589,698

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	42.5
Television	15.9
Radio	20.7
Yellow Pages	7.2
Direct Mail	13.6
Other	.1

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	6167
Office	1296
Warehouse	8285

Total average square feet per location was: 15,755

Average number of locations was: 1.5

The average annual sales per square foot of total space was $ 243

The average annual sales per square foot of selling space was $ 621

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 36.3%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 70.0%

Percentage of dealers in this category using an outside data processing service was 30.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 90.0%

RATIOS

Annual inventory turns on merchandise averaged 5.2

Average current ratio was 1.23 to 1

Average quick assets ratio was .30 to 1

Average net return on investment was 50.6%

APPLIANCE - ELECTRONICS SALES ONLY
Volume Over $3 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		78.05	
Cost of Merchandise	78.37		
Cost of Service Contract Sales	34.39		
GROSS MARGIN		21.95	
TOTAL OPERATING COSTS		20.28	
Owner and Manager Salaries	2.08		
Office Salaries	1.13		
Sales Salaries	4.37		
Delivery Wages	1.12		
Other Payroll	.26		
Employee Benefits	.40		
Payroll Taxes	.74		
Insurance - Group Life & Health	.30		
Insurance - Property & Liability	.55		
Rent or Building Depreciation	1.37		
Utilities	.38		
Telephone	.24		
Yellow Page Advertising	.10		
Other Advertising & Promotion	4.43		
Delivery Truck Expense	.43		
Automobile Expense	.03		
Depreciation	.52		
Licenses & Taxes	.22		
Supplies	.31		
Professional Fees	.45		
Travel & Training Expense	.21		
Miscellaneous Expense	.64		
NET OPERATING PROFIT		1.67	
OTHER INCOME		1.76	
Interest Income	.24		
Supplier Rebates	.83		
Other	.69		
TOTAL INCOME		3.43	
OTHER EXPENSE		1.41	
Interest Paid	.65		
Other	.76		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.02	
TOTAL FEDERAL & STATE INCOME TAXES	.68		
NET INCOME		1.34	

APPLIANCE/ELECTRONICS SALES ONLY

Average all Volumes

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 14.06%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	56.4
Bank Credit Cards	16.8
Outside Financing	22.3
In-house Financing	4.4

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	2.50% to 2.99%
for handling:				
Visa	11.7%	58.8%	23.5%	5.8%
MasterCard	5.8%	64.7%	23.5%	5.8%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	36.8
Office Personnel	20.7
Owners/managers	14.2
Delivery Personnel	18.4
Other	9.9

Total annual sales per employee averaged $ 220,842

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	4.3
Commission Only	65.2
Salary & Commission	30.4
Other	00.0

The average annual sales per salesperson was $ 599,429

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	54.9
Television	13.3
Radio	12.6
Yellow Pages	5.1
Direct Mail	13.7
Other	00.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	6091
Office	906
Warehouse	6100

Total average square feet per location was: 13278

The average number of locations was: 1.4

The average annual sales per square foot of total space was $ 190

The average annual sales per square foot of selling space was $ 414

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 91.3%

Of those dealers selling service contracts, 26.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 52.1%

Percentage of dealers in this category using an outside data processing service was 26.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 78.2%

RATIOS

Annual inventory turns on merchandise averaged 5.9

Average current ratio was 1.36 to 1

Average quick assets ratio was .41 to 1

Average net return on investment was 33.9%

APPLIANCE - ELECTRONICS SALES ONLY
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		77.92	
Cost of Merchandise	78.53		
Cost of Service Contract Sales	36.00		
GROSS MARGIN		22.08	
TOTAL OPERATING COSTS		20.95	
Owner and Manager Salaries	2.33		
Office Salaries	1.28		
Sales Salaries	4.29		
Delivery Wages	1.21		
Other Payroll	.26		
Employee Benefits	.43		
Payroll Taxes	.74		
Insurance - Group Life & Health	.32		
Insurance - Property & Liability	.57		
Rent or Building Depreciation	1.67		
Utilities	.42		
Telephone	.26		
Yellow Page Advertising	.11		
Other Advertising & Promotion	3.80		
Delivery Truck Expense	.42		
Automobile Expense	.06		
Depreciation	.64		
Licenses & Taxes	.28		
Supplies	.37		
Professional Fees	.41		
Travel & Training Expense	.20		
Miscellaneous Expense	.88		
NET OPERATING PROFIT		1.13	
OTHER INCOME		2.34	
Interest Income	.61		
Supplier Rebates	1.02		
Other	.71		
TOTAL INCOME		3.47	
OTHER EXPENSE		1.32	
Interest Paid	.73		
Other	.59		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.15	
TOTAL FEDERAL & STATE INCOME TAXES	.73		
NET INCOME		1.42	

APPLIANCE
SALES & SERVICE

Volume Under $1 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 3.57%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	76.6
Bank Credit Cards	5.7
Outside Financing	7.4
In-house Financing	10.1

Percent of dealers paying a discount rate of	1.50% to 1.90%	2.00% to 2.49%	3.00% to 3.49%	3.50% to 3.99%
for handling:				
Visa	9.0%	45.4%	27.2%	18.1%
MasterCard	9.0%	45.4%	27.2%	18.1%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	19.0
Service Technicians	26.7
Office Personnel	14.3
Owners/managers	21.0
Delivery Personnel	12.4
Other	6.7

Total annual sales per employee averaged $ 90,921

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	50.0
Commission Only	00.0
Salary & Commission	50.0
Other	00.0

The average annual sales per salesperson was $ 477,340

Percent of dealers paying their technicians:

Salary Only	68.7
Commission Only	25.0
Salary & Commission	6.2
Other	00.0

The average hourly technician wage was $ 9.19

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	59.4
Television	3.9
Radio	17.6
Yellow Pages	14.2
Direct Mail	2.4
Other	2.2

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2375
Office	434
Service	798
Warehouse	4380

Total average square feet per location was: 7982

The average number of locations was: 1

The average annual sales per square foot of total space was $ 84

The average annual sales per square foot of selling space was $ 284

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 43.7%

Of those dealers selling service contracts, 42.8% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 43.7%

Percentage of dealers in this category using an outside data processing service was 43.7%

Percentage of dealers in this category belonging to a buying group or cooperative was 43.7%

RATIOS

Annual inventory turns on merchandise averaged 3.9

Annual inventory turns on parts averaged 2.8

Average current ratio was 2.24 to 1

Average quick assets ratio was .95 to 1

Average net return on investment was 21.0%

APPLIANCE SALES & SERVICE
Volume Under $1 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		68.48	
Cost of Merchandise	71.68		
Cost of Labor	48.06		
Cost of Parts	64.40		
Cost of Service Contract Sales	17.89		
GROSS MARGIN		31.52	
TOTAL OPERATING COSTS		28.23	
Owner and Manager Salaries	6.10		
Office Salaries	2.03		
Sales Salaries	2.50		
Delivery Wages	.78		
Other Payroll	2.07		
Employee Benefits	.34		
Payroll Taxes	1.54		
Insurance - Group Life & Health	.81		
Insurance - Property & Liability	1.02		
Rent or Building Depreciation	2.22		
Utilities	.74		
Telephone	.42		
Yellow Page Advertising	.63		
Other Advertising & Promotion	1.86		
Delivery Truck Expense	.57		
Service Truck Expense	.53		
Automobile Expense	.15		
Depreciation	1.22		
Licenses & Taxes	.23		
Supplies	.70		
Professional Fees	.39		
Travel & Training Expense	.14		
Miscellaneous Expense	1.24		
NET OPERATING PROFIT		3.29	
OTHER INCOME		1.46	
Interest Income	.65		
Supplier Rebates	.38		
Other	.43		
TOTAL INCOME		4.75	
OTHER EXPENSE		1.18	
Interest Paid	1.12		
Other	.06		
TOTAL NET PROFIT BEFORE INCOME TAXES		3.57	
TOTAL FEDERAL & STATE INCOME TAXES	.68		
NET INCOME		2.89	

APPLIANCE/ SALES & SERVICE

Volume Over $1 Million

SALES TRANSACTIONS

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	72.5
Bank Credit Cards	21.0
Outside Financing	6.5
In-house Financing	00.0

Percent of dealers paying a discount rate of	1.50% to 1.99%	2.00% to 2.49%
for handling:		
Visa	50.0%	50.0%
MasterCard	50.0%	50.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	27.5
Service Technicians	17.6
Office Personnel	15.7
Owners/managers	15.7
Delivery Personnel	13.7
Other	9.8

Total annual sales per employee averaged $ 188,223

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	50.0
Salary & Commission	50.0
Other	00.0

The average annual sales per salesperson was $ 685,669

Percent of dealers paying their technicians:

Salary Only	100
Commission Only	00.0
Salary & Commission	00.0
Other	00.0

The average hourly technician wage was $ 13.31

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	53.0
Television	9.0
Radio	0.0
Yellow Pages	11.0
Direct Mail	12.0
Other	15.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	3000
Office	286
Service	286
Warehouse	1000

Total average square feet per location was: 4,571

Average number of locations was: 3.5

The average annual sales per square foot of total space was $ 300

The average annual sales per square foot of selling space was $ 457

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 50.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 100.0%

Percentage of dealers in this category using an outside data processing service was 50.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 100%

RATIOS

Annual inventory turns on merchandise averaged 3.8

Annual inventory turns on parts averaged .63

Average current ratio was 1.55 to 1

Average quick assets ratio was .44 to 1

Average net return on investment was 41.9%

APPLIANCE SALES & SERVICE
Volume Over $1 Million

			Yours
NET SALES		100.00	
COST OF SALES		73.52	
GROSS MARGIN		26.48	
TOTAL OPERATING COSTS		23.45	
Owner and Manager Salaries	2.55		
Office Salaries	1.92		
Sales Salaries	4.01		
Delivery Wages	1.81		
Other Payroll	.60		
Employee Benefits	.07		
Payroll Taxes	.85		
Insurance - Group Life & Health	.34		
Insurance - Property & Liability	.88		
Rent or Building Depreciation	2.83		
Utilities	.41		
Telephone	.42		
Yellow Page Advertising	.39		
Other Advertising & Promotion	2.47		
Delivery Truck Expense	.61		
Service Truck Expense	.20		
Automobile Expense	.17		
Depreciation	.81		
Licenses & Taxes	.18		
Supplies	.58		
Professional Fees	.38		
Travel & Training Expense	.32		
Miscellaneous Expense	.65		
NET OPERATING PROFIT		3.03	
OTHER INCOME		1.92	
Interest Income	.14		
Supplier Rebates	1.28		
Other	.50		
TOTAL INCOME		4.95	
OTHER EXPENSE		3.21	
Interest Paid	2.22		
Other	.99		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.74	
TOTAL FEDERAL & STATE INCOME TAXES	.35		
NET INCOME		1.39	

APPLIANCE SALES & SERVICE

Average all Volumes

SALES TRANSACTIONS

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	76.6
Bank Credit Cards	5.7
Outside Financing	7.4
In-house Financing	10.1

Percent of dealers paying a discount rate of for handling:	1.50% to 1.99%	2.00% to 2.49%	3.00% to 3.49%	3.50% to 3.99%
Visa	9.0%	45.4%	27.2%	18.1%
MasterCard	9.0%	45.4%	27.2%	18.1%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	19.0
Service Technicians	26.7
Office Personnel	14.3
Owners/managers	21.0
Delivery Personnel	12.4
Other	6.7

Total annual sales per employee averaged $ 90,922

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	50.0
Commission Only	00.0
Salary & Commission	50.0
Other	00.0

The average annual sales per salesperson was $ 477,340

Percent of dealers paying their technicians:

Salary Only	68.7
Commission Only	25.0
Salary & Commission	6.2
Other	00.0

The average hourly technician wage was $ 9.19

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	59.4
Television	3.9
Radio	17.6
Yellow Pages	14.2
Direct Mail	2.4
Other	2.2

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2374
Office	433
Service	798
Warehouse	4379

Total average square feet per location was: 7982

The average nu nber of locations was: 1

The average annual sales per square foot of total space was $ 85

The average annual sales per square foot of selling space was $ 284

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 43.7%

Of those dealers selling service contracts, 42.8%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 43.7%

Percentage of dealers in this category using an outside data processing service was 43.7%

Percentage of dealers in this category belonging to a buying group or cooperative was 43.7%

RATIOS

Annual inventory turns on merchandise averaged 3.9

Annual inventory turns on parts averaged 2.8

Average current ratio was 2.25 to 1

Average quick assets ratio was .95 to 1

Average net return on investment was 21.0%

APPLIANCE SALES & SERVICE
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		70.91	
Cost of Merchandise	71.68		
Cost of Labor	48.06		
Cost of Parts	65.40		
Cost of Service Contract Sales	17.89		
GROSS MARGIN		29.09	
TOTAL OPERATING COSTS		25.92	
Owner and Manager Salaries	4.38		
Office Salaries	1.98		
Sales Salaries	3.23		
Delivery Wages	1.28		
Other Payroll	1.36		
Employee Benefits	.21		
Payroll Taxes	1.20		
Insurance - Group Life & Health	.58		
Insurance - Property & Liability	.95		
Rent or Building Depreciation	2.52		
Utilities	.58		
Telephone	.42		
Yellow Page Advertising	.51		
Other Advertising & Promotion	2.16		
Delivery Truck Expense	.59		
Service Truck Expense	.37		
Automobile Expense	.16		
Depreciation	1.02		
Licenses & Taxes	.20		
Supplies	.65		
Professional Fees	.38		
Travel & Training Expense	.23		
Miscellaneous Expense	.96		
NET OPERATING PROFIT		3.17	
OTHER INCOME		1.69	
Interest Income	.41		
Supplier Rebates	.81		
Other	.47		
TOTAL INCOME		4.86	
OTHER EXPENSE		2.16	
Interest Paid	1.65		
Other	.51		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.70	
TOTAL FEDERAL & STATE INCOME TAXES	.52		
NET INCOME		2.18	

ELECTRONICS SALES & SERVICE

Volume Under $1 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 5.36%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	77.5
Bank Credit Cards	12.2
Outside Financing	7.0
In-house Financing	3.0

Percent of dealers paying a discount rate of	1.50% to 1.99%	2.00% to 2.49%	3.00% to 3.49%	3.50% to 3.99%
for handling:				
Visa	44.4%	22.2%	22.2%	11.1%
MasterCard	44.4%	22.2%	22.2%	11.1%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	18.2
Service Technicians	37.9
Office Personnel	15.2
Owners/managers	20.5
Delivery Personnel	3.8
Other	4.5

Total annual sales per employee averaged $ 67,058

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	55.5
Commission Only	00.0
Salary & Commission	38.8
Other	5.5

The average annual sales per salesperson was $ 368,022

Percent of dealers paying their technicians:

Salary Only	52.6
Commission Only	10.5
Salary & Commission	31.5
Other	5.2

The average hourly technician wage was $ 9.43

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	41.5
Television	.3
Radio	16.3
Yellow Pages	31.8
Direct Mail	9.4
Other	.5

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	1210
Office	359
Service	1287
Warehouse	1008

Total average square feet per location was: 3858

The average number of locations was: 1

The average annual sales per square foot of total space was $ 120

The average annual sales per square foot of selling space was $ 384

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 66.6%

Of those dealers selling service contracts, 36.3% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 50.0%

Percentage of dealers in this category using an outside data processing service was 16.6%

Percentage of dealers in this category belonging to a buying group or cooperative was 38.8%

RATIOS

Annual inventory turns on merchandise averaged 3.1

Annual inventory turns on parts averaged 1.1

Average current ratio was 2.04 to 1

Average quick assets ratio was .79 to 1

Average net return on investment was 9.1%

ELECTRONICS SALES & SERVICE
Volume Under $1 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.25	
Cost of Merchandise	72.67		
Cost of Labor	47.35		
Cost of Parts	44.68		
Cost of Service Contract Sales	42.23		
GROSS MARGIN		32.75	
TOTAL OPERATING COSTS		30.73	
Owner and Manager Salaries	4.47		
Office Salaries	2.57		
Sales Salaries	4.24		
Delivery Wages	.12		
Other Payroll	.86		
Employee Benefits	.34		
Payroll Taxes	1.84		
Insurance - Group Life & Health	.80		
Insurance - Property & Liability	1.41		
Rent or Building Depreciation	3.38		
Utilities	1.15		
Telephone	.67		
Yellow Page Advertising	.86		
Other Advertising & Promotion	2.45		
Delivery Truck Expense	.25		
Service Truck Expense	.47		
Automobile Expense	.10		
Depreciation	1.46		
Licenses & Taxes	.30		
Supplies	.81		
Professional Fees	.85		
Travel & Training Expense	.29		
Miscellaneous Expense	1.04		
NET OPERATING PROFIT		2.02	
OTHER INCOME		.87	
Interest Income	.24		
Supplier Rebates	.05		
Other	.58		
TOTAL INCOME		2.89	
OTHER EXPENSE		1.48	
Interest Paid	1.37		
Other	.11		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.41	
TOTAL FEDERAL & STATE INCOME TAXES	.30		
NET INCOME		1.11	

ELECTRONICS SALES & SERVICE

Volume $1 - $5 Million

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 16.44%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	62.0
Bank Credit Cards	19.0
Outside Financing	11.7
In-house Financing	7.2

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	3.00% to 3.49%	5.00% to 5.49%
for handling:					
Visa	8.3%	58.3%	16.6%	8.3%	8.3%
MasterCard	8.3%	58.3%	16.6%	8.3%	8.3%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	28.9
Service Technicians	20.9
Office Personnel	19.5
Owners/managers	16.0
Delivery Personnel	6.6
Other	8.0

Total annual sales per employee averaged $ 99,667

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	7.1
Commission Only	50.0
Salary & Commission	35.7
Other	7.1

The average annual sales per salesperson was $ 344,632

Percent of dealers paying their technicians:

Salary Only	33.3
Commission Only	40.0
Salary & Commission	20.0
Other	6.6

The average hourly technician wage was $ 9.73

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	43.6
Television	6.6
Radio	32.3
Yellow Pages	9.3
Direct Mail	3.6
Other	4.4

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2607
Office	476
Service	594
Warehouse	1101

Total average square feet per location was: 5149

Average number of locations was: 2

The average annual sales per square foot of total space was $ 196

The average annual sales per square foot of selling space was $ 387

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 78.5%

Of those dealers selling service contracts, 10.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 78.5%

Percentage of dealers in this category using an outside data processing service was 21.4%

Percentage of dealers in this category belonging to a buying group or cooperative was 42.8%

RATIOS

Annual inventory turns on merchandise averaged 4.0

Annual inventory turns on parts averaged 1.1

Average current ratio was 1.4 to 1

Average quick assets ratio was .51 to 1

Average net return on investment was 8.4%

ELECTRONICS SALES & SERVICE
Volume $1 Million to $5 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.51	
Cost of Merchandise	69.99		
Cost of Labor	64.46		
Cost of Parts	80.27		
Cost of Service Contract Sales	38.27		
GROSS MARGIN		32.49	
TOTAL OPERATING COSTS		32.88	
Owner and Manager Salaries	4.77		
Office Salaries	2.36		
Sales Salaries	5.68		
Delivery Wages	.51		
Other Payroll	.74		
Employee Benefits	.46		
Payroll Taxes	1.52		
Insurance - Group Life & Health	.55		
Insurance - Property & Liability	.76		
Rent or Building Depreciation	3.22		
Utilities	.76		
Telephone	.44		
Yellow Page Advertising	.44		
Other Advertising & Promotion	3.77		
Delivery Truck Expense	.26		
Service Truck Expense	.16		
Automobile Expense	.14		
Depreciation	1.88		
Licenses & Taxes	.24		
Supplies	1.04		
Professional Fees	.54		
Travel & Training Expense	.34		
Miscellaneous Expense	2.30		
NET OPERATING PROFIT		-.39	
OTHER INCOME		2.52	
Interest Income	.11		
Supplier Rebates	1.08		
Other	1.33		
TOTAL INCOME		2.13	
OTHER EXPENSE		1.12	
Interest Paid	.90		
Other	.22		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.01	
TOTAL FEDERAL & STATE INCOME TAXES	.25		
NET INCOME		.76	

ELECTRONICS SALES & SERVICE

Volume Over $5 Million

SALES TRANSACTIONS

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	46.4
Bank Credit Cards	21.4
Outside Financing	30.2
In-house Financing	2.0

Percent of dealers paying a discount rate of	Under 1.20%	1.20% to 1.49%	1.50% to 1.99%
for handling:			
Visa	20.0%	20.0%	60.0%
MasterCard	20.0%	20.0%	60.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	28.9
Service Technicians	9.5
Office Personnel	20.4
Owners/managers	16.4
Delivery Personnel	7.2
Other	17.4

Total annual sales per employee averaged $ 144,739

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	80.0
Salary & Commission	20.0
Other	00.0

The average annual sales per salesperson was $ 500,010

Percent of dealers paying their technicians:

Salary Only	40.0
Commission Only	40.0
Salary & Commission	20.0
Other	00.0

The average hourly technician wage was $ 13.67

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	65.2
Television	12.8
Radio	10.2
Yellow Pages	4.8
Direct Mail	7.0
Other	00.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	3470
Office	620
Service	590
Warehouse	1356

Total average square feet per location was: 6040

The average number of locations was: 5

The average annual sales per square foot of total space was $ 291

The average annual sales per square foot of selling space was $ 507

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 80.0%

Of those dealers selling service contracts, 100% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 100%

Percentage of dealers in this category using an outside data processing service was 20.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 60.0%

RATIOS

Annual inventory turns on merchandise averaged 3.5

Annual inventory turns on parts averaged 1.0

Average current ratio was 1.10 to 1

Average quick assets ratio was .34 to 1

Average net return on investment was 12.7%

ELECTRONICS SALES & SERVICE
Volume Over $5 Million

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.21	
Cost of Merchandise	67.47		
Cost of Labor	63.89		
Cost of Parts	55.87		
Cost of Service Contract Sales	25.22		
GROSS MARGIN		32.79	
TOTAL OPERATING COSTS		32.33	
Owner and Manager Salaries	4.32		
Office Salaries	2.09		
Sales Salaries	6.31		
Delivery Wages	.84		
Other Payroll	1.97		
Employee Benefits	.14		
Payroll Taxes	1.74		
Insurance - Group Life & Health	.32		
Insurance - Property & Liability	.52		
Rent or Building Depreciation	1.90		
Utilities	.92		
Telephone	.60		
Yellow Page Advertising	.14		
Other Advertising & Promotion	6.76		
Delivery Truck Expense	.28		
Service Truck Expense	.11		
Automobile Expense	.16		
Depreciation	1.17		
Licenses & Taxes	.07		
Supplies	.44		
Professional Fees	.36		
Travel & Training Expense	.36		
Miscellaneous Expense	.81		
NET OPERATING PROFIT		.46	
OTHER INCOME		1.44	
Interest Income	.11		
Supplier Rebates	1.17		
Other	.16		
TOTAL INCOME		1.90	
OTHER EXPENSE		1.11	
Interest Paid	1.10		
Other	.01		
TOTAL NET PROFIT BEFORE INCOME TAXES		.79	
TOTAL FEDERAL & STATE INCOME TAXES	.31		
NET INCOME		.48	

ELECTRONICS SALES & SERVICE

Average all Volumes

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 15.68%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	67.6
Bank Credit Cards	15.9
Outside Financing	12.0
In-house Financing	4.4

Percent of dealers paying a discount rate of

	Under 1.20%	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	3.00% to 3.49%	3.50% to 3.99%
for handling:						
Visa	3.8%	7.6%	53.8%	15.3%	11.5%	3.8%
MC	3.8%	7.6%	53.8%	15.3%	11.5%	3.8%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	27.0
Service Technicians	19.2
Office Personnel	19.1
Owners/managers	17.0
Delivery Personnel	6.3
Other	11.4

Total annual sales per employee averaged $ 112,665

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	29.7
Commission Only	29.7
Salary & Commission	35.1
Other	5.4

The average annual sales per salesperson was $ 417,729

Percent of dealers paying their technicians:

Salary Only	43.5
Commission Only	25.6
Salary & Commission	25.6
Other	5.1

The average hourly technician wage was $ 10.34

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	45.3
Television	5.0
Radio	24.0
Yellow Pages	16.8
Direct Mail	6.1
Other	2.5

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2501
Office	485
Service	744
Warehouse	1138

Total average square feet per location was: 5006

The average number of locations was: 2

The average annual sales per square foot of total space was $ 222

The average annual sales per square foot of selling space was $ 446

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 72.9%

Of those dealers selling service contracts, 36.0%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 67.5%

Percentage of dealers in this category using an outside data processing service was 18.9%

Percentage of dealers in this category belonging to a buying group or cooperative was 43.2%

RATIOS

Annual inventory turns on merchandise averaged 3.6

Annual inventory turns on parts averaged 1.1

Average current ratio was 1.27 to 1

Average quick assets ratio was .44 to 1

Average net return on investment was 10.1%

ELECTRONICS SALES & SERVICE
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.32	
Cost of Merchandise	68.61		
Cost of Labor	58.95		
Cost of Parts	56.05		
Cost of Service Contract Sales	28.98		
GROSS MARGIN		32.68	
TOTAL OPERATING COSTS		32.35	
Owner and Manager Salaries	4.49		
Office Salaries	2.24		
Sales Salaries	5.86		
Delivery Wages	.64		
Other Payroll	1.42		
Employee Benefits	.27		
Payroll Taxes	1.67		
Insurance - Group Life & Health	.45		
Insurance - Property & Liability	.70		
Rent or Building Depreciation	2.53		
Utilities	.89		
Telephone	.55		
Yellow Page Advertising	.32		
Other Advertising & Promotion	5.24		
Delivery Truck Expense	.27		
Service Truck Expense	.17		
Automobile Expense	.15		
Depreciation	1.45		
Licenses & Taxes	.16		
Supplies	.69		
Professional Fees	.48		
Travel & Training Expense	.35		
Miscellaneous Expense	1.36		
NET OPERATING PROFIT		.33	
OTHER INCOME		1.76	
Interest Income	.12		
Supplier Rebates	1.02		
Other	.62		
TOTAL INCOME		2.09	
OTHER EXPENSE		1.15	
Interest Paid	1.06		
Other	.09		
TOTAL NET PROFIT BEFORE INCOME TAXES		.94	
TOTAL FEDERAL & STATE INCOME TAXES	.29		
NET INCOME		.65	

ELECTRONICS
SALES ONLY

Average all Volumes

SALES TRANSACTIONS

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	54.3
Bank Credit Cards	20.9
Outside Financing	20.0
In-house Financing	4.6

Percent of dealers paying a discount rate of	1.50% to 1.99%	2.00% to 2.49%	2.50% to 2.99%	3.00% to 3.49%
for handling:				
Visa	25.0%	25.0%	50.0%	0.00%
MasterCard	25.0%	25.0%	25.0%	25.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	57.1
Office Personnel	11.5
Owners/managers	13.5
Delivery Personnel	6.4
Other	11.5

Total annual sales per employee averaged $ 94.508

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	40.0
Salary & Commission	60.0
Other	00.0

The average annual sales per salesperson was $ 165,655

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	73.4
Television	2.4
Radio	16.4
Yellow Pages	3.4
Direct Mail	4.2
Other	.2

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	2531
Office	609
Warehouse	1488

Total average square feet per location was: 4691

The average number of locations was: 4

The average annual sales per square foot of total space was $ 150

The average annual sales per square foot of selling space was $ 278

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 80.0%

Of those dealers selling service contracts, 25.0%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 80.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 40.0%

RATIOS

Annual inventory turns on merchandise averaged 4.2

Average current ratio was 1.2 to 1

Average quick assets ratio was .26 to 1

Average net return on investment was -54.5%

ELECTRONICS SALES ONLY
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		68.95	
Cost of Merchandise	70.99		
Cost of Service Contract Sales	39.14		
GROSS MARGIN		31.05	
TOTAL OPERATING COSTS		33.94	
Owner and Manager Salaries	3.39		
Office Salaries	1.86		
Sales Salaries	8.10		
Delivery Wages	.38		
Other Payroll	.36		
Employee Benefits	.48		
Payroll Taxes	1.48		
Insurance - Group Life & Health	.43		
Insurance - Property & Liability	.57		
Rent or Building Depreciation	3.67		
Utilities	.92		
Telephone	.60		
Yellow Page Advertising	.28		
Other Advertising & Promotion	5.08		
Delivery Truck Expense	.27		
Automobile Expense	.22		
Depreciation	2.20		
Licenses & Taxes	.46		
Supplies	1.25		
Professional Fees	.33		
Travel & Training Expense	.25		
Miscellaneous Expense	1.36		
NET OPERATING PROFIT		- 2.89	
OTHER INCOME		1.15	
Interest Income	.23		
Supplier Rebates	.51		
Other	.41		
TOTAL INCOME		- 1.74	
OTHER EXPENSE		1.64	
Interest Paid	1.51		
Other	.13		
TOTAL NET PROFIT BEFORE INCOME TAXES		- 3.38	
TOTAL FEDERAL & STATE INCOME TAXES	.02		
NET INCOME		- 3.40	

APPLIANCE/ELECTRONICS/FURNITURE SALES & SERVICE

Average all Volumes

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up .6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	44.3
Bank Credit Cards	06.0
Outside Financing	21.2
In-house Financing	028.3

Percent of dealers paying a discount rate of	1.2% to 1.49%	1.5% to 1.99%	3.0% to 3.49%	Over 5%
for handling:				
Visa	7.6%	69.2%	7.6%	7.6%
MasterCard	8.3%	75.0%	8.3%	0.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	25.0
Service Technicians	9.0
Office Personnel	22.8
Owners/managers	14.2
Delivery Personnel	17.0
Other	11.4

Total annual sales per employee averaged $ 115,289

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	42.8
Commission Only	19.0
Salary & Commission	33.3
Other	4.7

The average annual sales per salesperson was $ 461,160

Percent of dealers paying their technicians:

Salary Only	41.1
Commission Only	5.8
Salary & Commission	29.4
Other	23.5

The average hourly technician wage was $ 8.68

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	47.5
Television	14.5
Radio	20.0
Yellow Pages	8.7
Direct Mail	3.5
Other	5.6

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet per location used per location for:

Sales & Display	17,411
Office	1,976
Service	1,457
Warehouse	12,173

Total average square feet per location was: 33,294

The average number of locations was: 1.5

The average annual sales per square foot of total space was $ 60.

The average annual sales per square foot of selling space was $ 114

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 75.0%

Of those dealers selling service contracts, 13.3%*were self-funded programs.*

Percentage of dealers in this category using in store computers was 40.0%

Percentage of dealers in this category using an outside data processing service was 25.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 65.0%

RATIOS

Annual inventory turns on merchandise averaged 2.8

Annual inventory turns on parts averaged 1.1

Average current ratio was 2.05 to 1

Average quick assets ratio was 1.17 to 1

Average net return on investment was 11.8%

APPLIANCE - ELECTRONICS - FURNITURE SALES & SERVICE
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.05	
Cost of Merchandise	66.56		
Cost of Labor	73.92		
Cost of Parts	62.61		
Cost of Service Contract Sales	46.04		
GROSS MARGIN		32.95	
TOTAL OPERATING COSTS		33.25	
Owner and Manager Salaries	4.03		
Office Salaries	2.41		
Sales Salaries	5.08		
Delivery Wages	1.64		
Other Payroll	1.24		
Employee Benefits	.61		
Payroll Taxes	1.34		
Insurance - Group Life & Health	.69		
Insurance - Property & Liability	1.06		
Rent or Building Depreciation	2.96		
Utilities	1.02		
Telephone	.40		
Yellow Page Advertising	.14		
Other Advertising & Promotion	5.25		
Delivery Truck Expense	.66		
Service Truck Expense	.20		
Automobile Expense	.13		
Depreciation	1.26		
Licenses & Taxes	.61		
Supplies	.71		
Professional Fees	.42		
Travel & Training Expense	.24		
Miscellaneous Expense	1.15		
NET OPERATING PROFIT		- .30	
OTHER INCOME		6.83	
Interest Income	3.77		
Supplier Rebates	.48		
Other	2.58		
TOTAL INCOME		6.53	
OTHER EXPENSE		3.26	
Interest Paid	1.66		
Other	1.60		
TOTAL NET PROFIT BEFORE INCOME TAXES		3.27	
TOTAL FEDERAL & STATE INCOME TAXES	1.02		
NET INCOME		2.25	

APPLIANCE/ELECTRONICS/FURNITURE SALES ONLY

Average all Volumes

SALES TRANSACTIONS

Total annual sales, compared to 1985, were up 12.95%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	26.0
Bank Credit Cards	12.0
Outside Financing	21.0
In-house Financing	41.0

Percent of dealers paying a discount rate of	1.20% to 1.49%	1.50% to 1.99%	2.00% to 2.49%	Over 5%
for handling:				
Visa	50.0%	0.00%	25.0%	25.0%
MasterCard	25.0%	25.0%	25.0%	25.0%

PERSONNEL

The average percent of total employees in each category was:

Sales Personnel	27.84
Office Personnel	34.02
Owners/managers	16.49
Delivery Personnel	17.53
Other	4.12

Total annual sales per employee averaged $ 109,349

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	40.0
Commission Only	40.0
Salary & Commission	20.0
Other	00.0

The average annual sales per salesperson was $ 392,847

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	50.7
Television	25.0
Radio	10.0
Yellow Pages	3.0
Direct Mail	11.2
Other	0.0

SPACE ALLOCATION

Of the dealers reporting a breakdown for use of space, the average number of square feet used per location for:

Sales & Display	11,750
Office	750
Warehouse	5625

Total average square feet per location was: 18,125

The average number of locations was: 1.6

The average annual sales per square foot of total space was $ 73

The average annual sales per square foot of selling space was $ 112

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 80.0%

Of those dealers selling service contracts, 50.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 40.0%

Percentage of dealers in this category using an outside data processing service was 20.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 80.0%

RATIOS

Annual inventory turns on merchandise averaged 9.3

Average current ratio was 4.28 to 1

Average quick assets ratio was 3.53 to 1

Average net return on investment was 40.4%

APPLIANCE - ELECTRONICS - FURNITURE SALES ONLY
Average All Volumes

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		60.97	
Cost of Merchandise	60.33		
Cost of Service Contract Sales	8.67		
GROSS MARGIN		39.03	
TOTAL OPERATING COSTS		33.83	
Owner and Manager Salaries	4.13		
Office Salaries	2.03		
Sales Salaries	6.58		
Delivery Wages	2.39		
Other Payroll	1.49		
Employee Benefits	.24		
Payroll Taxes	1.28		
Insurance - Group Life & Health	.55		
Insurance - Property & Liability	.47		
Rent or Building Depreciation	3.11		
Utilities	.83		
Telephone	.43		
Yellow Page Advertising	.00		
Other Advertising & Promotion	3.96		
Delivery Truck Expense	.45		
Automobile Expense	.10		
Depreciation	.50		
Licenses & Taxes	.28		
Supplies	1.56		
Professional Fees	.49		
Travel & Training Expense	.34		
Miscellaneous Expense	2.62		
NET OPERATING PROFIT		5.20	
OTHER INCOME		15.45	
Interest Income	15.28		
Supplier Rebates	.00		
Other	.17		
TOTAL INCOME		20.65	
OTHER EXPENSE		12.11	
Interest Paid	1.19		
Other	10.92		
TOTAL NET PROFIT BEFORE INCOME TAXES		8.54	
TOTAL FEDERAL & STATE INCOME TAXES	1.56		
NET INCOME		6.98	

SERVICE ONLY FIRMS

1986 was basically a good year for most firms primarily in the service business. Gross margins were up slightly as were net profits.

ELECTRONIC SERVICE ONLY

The individual reports indicate that owner/managers withdrew a larger share from their business in 1986 compared to 1985. Other interesting statistics include:

1. Over 75 percent of sales were on a cash basis.

2. Income producing personnel represented 52 percent of total employees. This is a ratio of 1 to 1.

3. Almost 50 percent of the technicians employed were on a commission only basis. Salary only was paid to 22 percent with the balance paid a combination of salary and commission.

4. Yellow page advertising represented two-thirds of total advertising expenses. This cost was over 5 percent of net sales for this category of servicers.

5. Parts inventory turns were less than 1 per year. This indicates a need for better inventory control through better record keeping and periodic analysis.

6. The average wage for technicians was $10.50 per hour.

7. The burden rate was 320 percent.

APPLIANCE SERVICE ONLY

The survey forms received indicate a similar gross margin to 1985. Operating costs were reduced, however, which resulted in a greater net profit. Other statistics for the appliance only category are:

1. Annual sales were up almost 6 percent over 1985.

2. Income producing personnel represented 48 percent of total employees, a ratio of 1 to 1.

3. Thirty-six percent of the technicians are paid salary only, 36 percent commission only, with the balance split among other forms of remuneration.

4. Yellow page advertising expense was 76 percent of the total advertising outlay. The total advertising cost was in excess of 5 percent of net sales.

5. Parts inventory turns for appliance servicers was approximately 2 for 1986.

6. The average wage for technicians was $11.00 per hour.

7. The burden rate was 320 percent.

BURDEN RATE

Operating Expenses $_____
divided by

Productive Tech Wages $_____
times 100 *times 100*

=

Equals the Burden Rate $_____

The burden rate is used to show how much overhead must be charged to customers per dollar of productive tech time in order to break even.

Breakeven is figured by multiplying the burden rate times hourly tech wages and adding back tech wages, like this:

Tech hourly rate	$10.00
times burden rate	320%
	32.00
plus tech hourly wage	10.00
break even labor rate	$42.00

APPLIANCE SERVICE ONLY
Average All Volumes

			Yours
NET SALES		100.00	
Labor Sales	100		
Parts Sales	100		
COST OF SALES		47.88	
Cost of Labor	39.29		
Cost of Parts	57.69		
GROSS MARGIN		52.12	
TOTAL OPERATING COSTS		46.89	
Owner and Manager Salaries	9.03		
Office Salaries	8.67		
Delivery Wages	.19		
Other Payroll	.53		
Employee Benefits	1.57		
Payroll Taxes	3.44		
Insurance - Group Life & Health	1.63		
Insurance - Property & Liability	1.72		
Rent or Building Depreciation	3.29		
Utilities	.53		
Telephone	1.94		
Yellow Page Advertising	5.08		
Other Advertising & Promotion	.25		
Delivery Truck Expense	.09		
Service Truck Expense	2.62		
Automobile Expense	.22		
Depreciation	2.23		
Licenses & Taxes	.28		
Supplies	1.74		
Professional Fees	.50		
Travel & Training Expense	.39		
Miscellaneous Expense	.95		
NET OPERATING PROFIT		5.23	
OTHER INCOME		.96	
Interest Income	.39		
Other	.57		
TOTAL INCOME		6.19	
OTHER EXPENSE		1.10	
Interest Paid	.68		
Other	.42		
TOTAL NET PROFIT BEFORE INCOME TAXES		5.09	
TOTAL FEDERAL & STATE INCOME TAXES	.61		
NET INCOME		4.48	

ELECTRONIC SERVICE ONLY
Average All Volumes

			Yours
NET SALES		100.00	
Labor Sales	100		
Parts Sales	100		
COST OF SALES		42.68	
Cost of Labor	33.82		
Cost of Parts	72.92		
GROSS MARGIN		57.32	
TOTAL OPERATING COSTS		54.23	
Owner and Manager Salaries	11.17		
Office Salaries	5.99		
Sales Salaries	5.60		
Delivery Wages	.52		
Other Payroll	.38		
Employee Benefits	2.99		
Payroll Taxes	5.26		
Insurance - Group Life & Health	1.13		
Insurance - Property & Liability	1.31		
Rent or Building Depreciation	3.89		
Utilities	1.26		
Telephone	1.23		
Yellow Page Advertising	1.19		
Other Advertising & Promotion	.61		
Delivery Truck Expense	.58		
Service Truck Expense	.87		
Automobile Expense	.17		
Depreciation	1.71		
Licenses & Taxes	.54		
Supplies	1.41		
Professional Fees	1.28		
Travel & Training Expense	.82		
Miscellaneous Expense	4.32		
NET OPERATING PROFIT		3.09	
OTHER INCOME		2.03	
Interest Income	.43		
Supplier Rebates	.69		
Other	.91		
TOTAL INCOME		5.12	
OTHER EXPENSE		2.31	
Interest Paid	1.63		
Other	.68		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.81	
TOTAL FEDERAL & STATE INCOME TAXES	.23		
NET INCOME		2.58	

EXPLANATION OF KEY RATIOS

CURRENT ASSETS RATIO

Current assets divided by current liabilities.

This ratio is probably one of the most used liquidity ratios. The current ratio is a measure of the most liquid assets (current assets) relative to the shortest maturity liabilities.

A high current ratio indicates high liquidity and less risk of financial trouble. Too high a ratio might indicate an unnecessary investment in current assets or a failure to collect receivables or a bloated inventory, all negatively affecting earnings. Too low a ratio implies low liquidity and potential for being unable to meet current liabilities. A good standard is 2 to 1.

QUICK ASSETS RATIO

Current assets, minus inventory, divided by current liabilities.

This ratio shows the ability of a business to pay its debts without taking inventory into consideration. Bankers consider it to be a key ratio. 1 to 1 is acceptable.

INVENTORY TURNS

Cost of goods sold divided by the average inventory (beginning inventory, plus ending inventory, divided by 2).

Less than 4 turns indicates either a decline in sales or an over-inventoried position. Over 9 turns may indicate inventory is impractically low and unable to meet customer demand. Dealers should strive for 4 to 6 turns yearly, or two or three months of inventory.

NET RETURN ON INVESTMENT

Net profit (before taxes, and after owner's salary) divided by net worth.

This ratio indicates the yield on money invested in the business. If this percentage is less than current investment rates, consideration should be given to investing your capital in money market funds, certificates of deposit, government securities, etc.

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